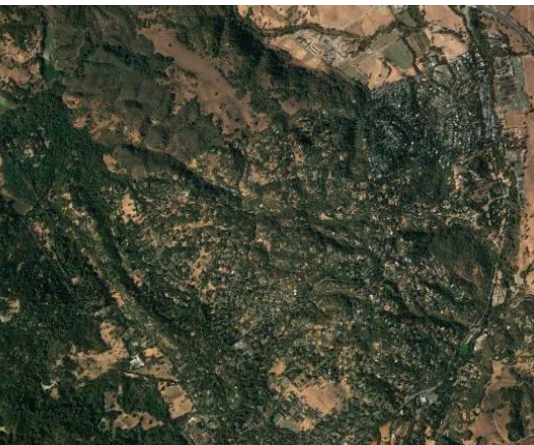




TOWN OF Portola Valley

2023 - 2031 Housing Element Update

INITIAL HCD DRAFT



Prepared for:
Town of Portola Valley
August 2022

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SECTION 1. INTRODUCTION

The Housing Element of the General Plan identifies and analyzes existing and projected housing needs and contains the official policies for the preservation, conservation, rehabilitation, and production of housing in the Town of Portola Valley. This Housing Element covers the Planning Period from January 2023 through January 2031.

PURPOSE AND CONTENT

The Town of Portola Valley's Housing Element is the component of the Town's General Plan that addresses housing needs and opportunities for present and future residents through 2031. It provides the primary policy guidance for local decision-making related to housing. The Housing Element of the General Plan is the only General Plan Element that requires review and certification by the State of California.

The Housing Element provides a detailed analysis of Portola Valley's demographic, economic, and housing characteristics as required by State Law. The Housing Element does this through assessing the success of the previous Housing Element, the need for and status of housing in the town, constraints on the provision of housing, and sites available for housing. Building on this foundation, the Element sets forth the goals and policies of the Town with regard to housing and establishes programs to increase the supply of housing, and especially affordable housing. This is the 6th update and revision of the Housing Element which was first adopted by the Town of Portola Valley in 1969.

HOUSING ELEMENT UPDATE PROCESS

The California State legislature has identified the attainment of a decent home and suitable living environment for every Californian as a State-wide goal. Local planning programs play a critical part in achieving this goal. Therefore, the Legislature mandates that all jurisdictions prepare a Housing Element as part of their comprehensive General Plans (California Government Code Section 65580 et al.).

The Town intends to review this Housing Element annually and update it not less than every eight years to ensure it remains relevant and reflects the community's changing housing needs. The Town will annually review its progress implementing the Housing Element through Annual Progress Reports required to be submitted to the State. The Town is updating its Housing Element at this time to comply with the update required of all jurisdictions in the Association of Bay Area Governments (ABAG) region, as well as to respond to the unique character of the town.

Community engagement has been an integral part of the update process. Portola Valley's community was consulted throughout the update process and diligent efforts were made to reach those in protected classes and communities who have historically been left out of

planning processes. The community engagement process and results are detailed in Appendix A of the Housing Element.

STATE LAW AND LOCAL PLANNING

CONSISTENCY WITH STATE LAW

The Housing Element responds to State requirements as set forth in Government Code Section 65580 et seq. Accordingly, this revision addresses Portola Valley's share of regional housing need as determined by the San Mateo County subregion allocation process for the 2023-2031 planning period.

There have been substantive changes to State law since the Town's last Housing Element. Some of the most notable changes in housing legislation are described below.

- **Assembly Bill (AB) 68, AB 587, AB 671, AB 881, and Senate Bill (SB) 13.** Further incentivize the development of accessory dwelling units (ADUs) through streamlined permits, reduced setback requirements, increased allowable square footage, reduced parking requirements, and reduced fees.
- **AB 1763.** Requires jurisdictions to provide a larger density bonus and enhanced concessions to development projects that restrict 100% of their units as affordable to lower- and moderate-income households and provides greater bonuses for such projects when they are within 0.5 miles of a major transit stop.
- **AB 101.** Requires jurisdictions to allow low barrier navigation centers by-right in areas zoned for mixed uses and in nonresidential zones permitting multi-family uses if the center meets specified requirements.
- **AB 686.** Require public agencies in California to affirmatively further fair housing, which is defined as taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity by replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws.
- **AB 1255 and AB 1486.** Identify and prioritize State and local surplus lands available for housing development affordable to lower-income households.
- **AB 2162.** Requires that supportive housing be a permitted use without discretionary review, in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multi-family uses.
- **SB 330.** Enacts changes to local development policies, permitting, and processes. These changes include establishing new criteria on application requirements and processing times for housing developments; preventing localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements; preventing localities from establishing non-objective standards; and requiring that any

proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units demolished.

GENERAL PLAN CONSISTENCY

The California Government Code (Section 65300.5) requires internal consistency among each Element of the General Plan. The General Plan Elements shall provide an integrated, internally consistent, and compatible statement of policy. The Town of Portola Valley continuously reviews the General Plan for internal consistency when updates or amendments occur. The Town has reviewed the other Elements of the General Plan and determined that the Housing Element is not consistent with other elements; therefore, the Town plans to amend other elements at the same time the Housing Element is adopted so that the General Plan will be internally consistent.

RELATIONSHIP TO OTHER PLANS AND PROGRAMS

The Housing Element identifies goals, objectives, policies, and actions for the 2023-2031 planning period that directly addresses existing and future housing needs in Portola Valley. Town plans and programs work to implement the goals, objectives, and policies of the Housing Element.

HOUSING ELEMENT ORGANIZATION

Consistent with State law, this Housing Element consists of the following major components:

- **Introduction [Section 1]:** Explains the purpose, process, and contents of the Housing Element.
- **Housing Needs Assessment [Section 2]:** Includes an analysis of population and employment trends, the Town’s fair share of regional housing needs (RHNA), household characteristics and the condition of housing stock.
- **Affirmatively Furthering Fair Housing [Section 3]:** Summarizes the ways the Town is affirmatively furthering fair housing under the requirements of Assembly Bill 686. Affirmatively furthering fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”
- **Constraints [Section 4]:** Reviews governmental constraints, including land use controls, fees, and processing requirements, as well as non-governmental constraints, such as construction costs, availability of land and financing, physical environmental conditions, and units at-risk of conversion that may impede the development, preservation, and maintenance of housing.
- **Resources [Section 5]:** Identifies resources available for the production and maintenance of housing, including an inventory of land suitable for residential development and discussion of federal, state, and local financial resources and programs available to address the Town’s housing goals.

- **Adequate Sites [Section 6]:** Describes and maps the land suitable for residential development to accommodate the Town's RHNA.
- **Goals, Policies, and Programs [Section 7]:** Details specific goals, policies, and programs the Town will carry out over the planning period to address Portola Valley's housing goals.

Given the detail and lengthy analysis in developing the Housing Element, supporting background material is included in the following appendices:

- Appendix A: Community Engagement
- Appendix B: Housing Needs Data Report
- Appendix C: Assessment of Fair Housing
- Appendix D: Review of the 2015-2023 Housing Element Performance
- Appendix E: Sites Inventory Spreadsheet

COMMUNITY ENGAGEMENT

The Town has a proud history of community engagement and volunteerism that has existed since the Town's incorporation. It is customary for residents to participate at very high levels in all aspects of government. An Ad Hoc Housing Element Committee with 15 members was formed in August 2021 with the charge of developing a Housing Element that complies with State Law and facilitating completion of the Housing Element on the State's' required timeline. The Ad Hoc Committee met at least monthly during the Housing Element update process with community participation of 25-160 people per meeting. The Town also held several community meetings, focus group meetings, and decision-maker meetings to discuss various aspects of the Housing Element update. During the Housing Element update process, the Town posted information on the Town's website, social media, distributed information through the Town's e-Notification system with over 450 subscribers and posted information on the Portola Valley Forum, an active list serve with over 3,600 members. Key lessons learned during the community engagement process to date include:

- The community is interested in producing real affordable housing
- ADUs alone won't be enough to satisfy RHNA and get certified
- Equity and Fair Housing are important
- Using Town-owned property makes affordable housing more feasible
- There is discomfort with upzoning single family homes if owners don't want to
- Rural character is important –but means slightly different things to different people
- Safety is the first priority, then spread units throughout the community if feasible
- Preserving local business is important

All meetings are described in more detail in Appendix A.

In addition to conversations focused on Portola Valley, the 21 Elements working group provided additional opportunities for community input. 21 Elements is a multi-year, multi-phase collaboration between all San Mateo County jurisdictions, along with partner agencies and stakeholder organizations, that aims to support jurisdictions in developing, adopting, and implementing local housing policies and programs. Let's Talk Housing is a collaborative effort

between all 21 jurisdictions in San Mateo County focused on increasing awareness of and participation in the Housing Element update process. The 21 Elements working group organized an additional series of introductory meetings about the Housing Element update attended by more than 1,000 community members countywide, an All About RHNA webinar, four Stakeholder Listening Sessions that convened more than 30 groups, and a four-part Creating an Affordable Future webinar series to help educate community members about local housing issues.

The draft Housing Element is available at Town Hall and at the library, as well as on the website. Town residents and others interested in housing in Portola Valley have had the opportunity to comment both at meetings and in writing. More detail about the Town's community engagement efforts is included in Appendix A.

SECTION 2. HOUSING NEEDS ASSESSMENT

To successfully plan for housing needs, the demographic and socioeconomic variables of the community must be assessed. This section discusses the components of housing needs, which include population characteristics, household characteristics, and employment and housing stock conditions. Unless otherwise specified, the data and figures in this section are specific to the Town of Portola Valley. This section highlights the primary findings of the Housing Needs Assessment Report prepared by the Association of Bay Area Governments (ABAG)/Metropolitan Transportation Commission (MTC). Additional information and graphs can be found in *Appendix B: Housing Needs Data Report*. For the Assessment of Fair Housing required under California's Assembly Bill 686 of 2018, please see Appendix C or a summarized version in *Section 3, Affirmatively Furthering Fair Housing*.

The data for this section has been collected using the most current available data from the ABAG, the 2010 U.S. Census and 2015-2019 5-year American Community Survey¹, the Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS), the California Department of Finance, the San Mateo Annual Homeless Point in Time Count Report, and other currently available real estate market data. These data are samples and as such, are subject to sampling variability. This means that data is an estimate, and that other estimates could be possible if another set of respondents had been reached.

A summary of key facts from the ABAG/MTC Housing Needs Assessment included in Appendix B is below:

- **Age** – In 2000, the median age in Portola Valley was 47.2; by 2019, this figure had increased to about 51 years. More specifically, the population of those under 14 has decreased since 2010, while the 65-and-over population had increased. The 15-24 age group also jumped between 2010 and 2019.
- **Race/Ethnicity** – Since 2000, the percentage of residents in Portola Valley identifying as White has decreased – and by the same token the percentage of residents of all other races and ethnicities has increased – by 9.7%, as of 2019.
- **Number of Homes** – The number of homes in Portola Valley increased, 1.6% from 2010 to 2020, which is *below* the growth rate for San Mateo County and *below* the growth rate of the region's housing stock during this time period.
- **Home Prices** – A diversity of homes at all income levels creates opportunities for all Portola Valley residents to live and thrive in the community.
 - **Ownership** – The largest proportion of homes had a value in the range of \$2M+ in 2019. Home prices increased by 149% from 2010 to 2020.
 - **Rental Prices** – The typical contract rent for an apartment in Portola Valley was \$2,940

¹ The 2010 U.S. Census and 5-year ACS estimates were used as much of this work was done before the 2020 U.S. Census data was publicly available.

in 2019. Rental prices increased by 47% from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make \$117,760 per year.²

- **Housing Type** – In 2020, 81.1% of homes in Portola Valley were single-family detached, 0.0% were single-family attached, 2.1% were small multi-family (2-4 units), and 16.8% were medium or large multi-family (5+ units). Between 2010 and 2020, the number of single-family units increased more than multi-family units.
- **Cost Burden** – In Portola Valley, 12.9% of households spend 30%-50% of their income on housing, while 13.5% of households are severely cost burdened and use the majority of their income for housing.
- **Special Housing Needs** – In Portola Valley, 10.2% of residents have a disability of any kind and may require accessible housing. Additionally, 8.0% of Portola Valley households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 5.8% of households are female-headed families, which are often at greater risk of housing insecurity.

To address these housing needs, the Town has developed a comprehensive policy program, detailed in *Section 7, Goals, Policies, and Programs*, which includes introducing multi-family and mixed-use zoning districts to increase housing development. These are the first multi-family zoning districts in the Town’s history.

REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

The RHNA process is part of Housing Element Law used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element. This process is repeated every eight years, **and for this cycle the Bay Area is planning for the period from 2023 to 2031**. In the case of the San Francisco Bay Area, ABAG and the State department of Housing and Community Development (HCD) determine the number of housing units that should be produced in the region. This determination of need is primarily based on estimated job growth. ABAG then allocated that need for each jurisdiction, based on their share of the region’s households, and adjusted for access to high opportunity areas, proximity of jobs to transportation and transit, and an equity adjustment to ensure that each jurisdiction receives an allocation of lower-income units that is at least proportional to its share of the region’s total households in 2020 (see Table 2-1).

TABLE 2-1: THE TOWN OF PORTOLA VALLEY’S PAST AND CURRENT RHNA

Housing Element Cycle	Very Low	Low	Moderate	Above Moderate	Total
2014 – 2022 (5 th Cycle)	21	15	15	13	64
2023 – 2031 (6 th Cycle)	73	42	39	99	253

Source: ABAG, 2021. Final RHNA Allocation Report 2023-2031, December.

² Note that contract rents may differ significantly from, and often being lower than, current listing prices.

As shown above in Table 2-1, the amount of housing being required is significantly higher than required for the last Housing Element cycle. Approximately 45.4% of all new housing is required to be affordable to low- and very low-income households.

State law also requires that the Housing Element include an analysis of subsidized affordable units at risk of conversion to market rate. At-risk units are defined as multi-family rental housing complexes which are eligible to convert to market-rate due to the expiration of some types of affordability restrictions, such as termination of subsidy contract, mortgage prepayment, or expiring use restrictions. According to a database maintained by the California Housing Partnership, there are no federal or state subsidized affordable multi-family developments in Portola Valley. There are three deed-restricted affordable units, none of which are subsidized nor at risk of conversion to market-rate.

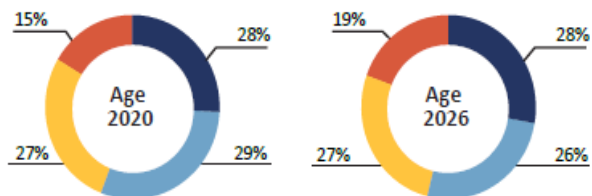
SAN MATEO COUNTY

To provide context, this subsection begins with the demographic and socioeconomic variables of the surrounding County first, then moves on to data specific to Portola Valley.

PEOPLE

By 2026, one out of five residents will be 65 or over

■ Under 25 ■ 25-44 ■ 45-64 ■ 65+



San Mateo County makes up 10% of the total Bay Area population, which is the fifth largest metropolitan area in the country. The number of people living here has steadily grown over the past few decades. **In 2020, our population was estimated to be 773,244, an increase of 19% since 1990.**³ That trend is expected to continue—despite the impact of the pandemic—because jobs continue to be added.

People are also living longer, with those 65 and over expected to make up nearly 20% of the population by 2026. Equally important is the fact that Millennials recently surpassed the Baby Boomers as our largest generation. As Millennials enter their 40s, they will continue to shape countywide housing needs. By 2026, people 25-44 and 45-64 will make up more than 50% of the population.⁴

³ U.S. Census, American Community Survey.

⁴ Claritas Population Facts 2021.

What does this mean for housing needs?

Both seniors and Millennials have shown a preference for more walkable, mixed-use neighborhoods that are close to work, schools, parks, and amenities. The majority of seniors prefer to stay in their homes and communities, known as *aging-in-place*. Yet many live on fixed incomes and may have mobility issues as they age, which require supportive services.

Simultaneously, Millennials are less likely to own homes and have less savings than previous generations; they are more likely to live alone and delay marriage; and as they start families, may be in greater need of support when purchasing their first home. Coupled with increasing housing prices, it is more difficult for younger generations to rent or purchase a home than it was for current residents.

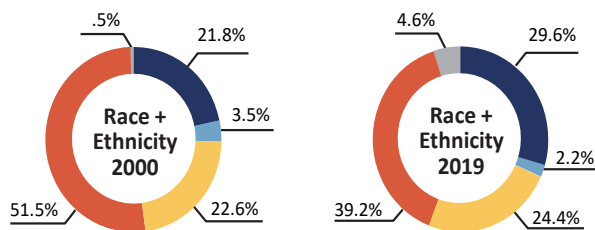
We must address how to support our seniors as they get older so they can stay in their homes and communities, and make sure young people, new families, and our workers can find housing they can afford that meets their needs.



Our population is becoming more diverse



*Due to small percentage, Other is grouped as American Indian, Alaska Native, "Other" or Multiple Races



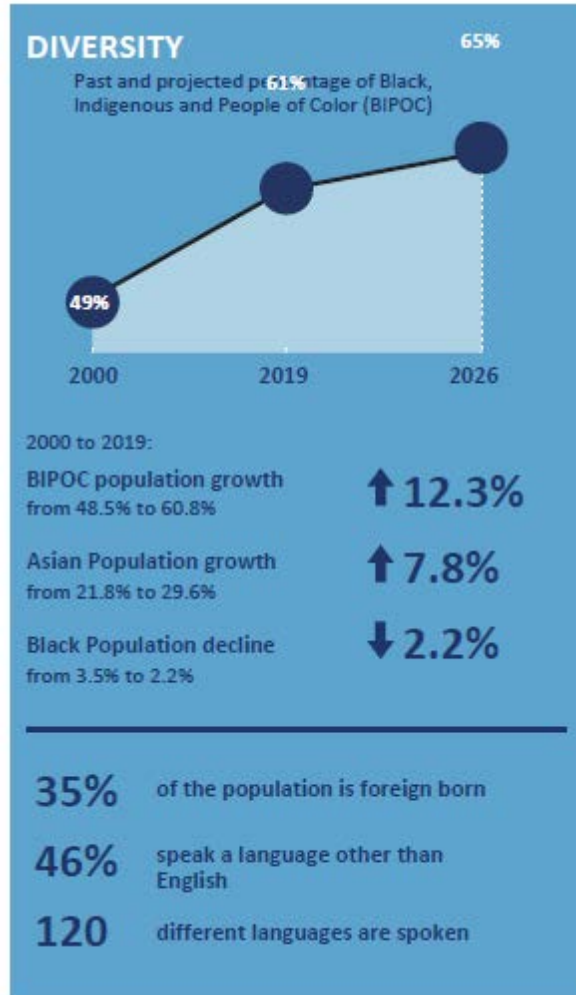
San Mateo County is a very diverse place to live, even when compared to the State of California. Countywide, more than one-third of the population is foreign-born and almost half speaks a language other than English at home. By contrast, a quarter of all Californians are foreign-born and less than a quarter speak a language other than English at home. Over 120 identified languages are spoken in San Mateo County, with top languages including Spanish (17%), Chinese (8%) and Tagalog (6%).

Our population has become increasingly more diverse over time. In 2000, more than half of people identified as White, which fell to 39% in 2019, and is expected to decrease further to 35% by 2026. However, while the Asian and Latinx populations increased during that time, but the Black population decreased by almost half, from 3.5% to 2.2%.⁵

What does this mean for housing needs?

When planning for housing, we need to consider a variety of housing needs—like larger homes for multi- generational families or those with more children—and how to create opportunities for everyone to access quality, affordable housing near schools, transit, jobs, and services.

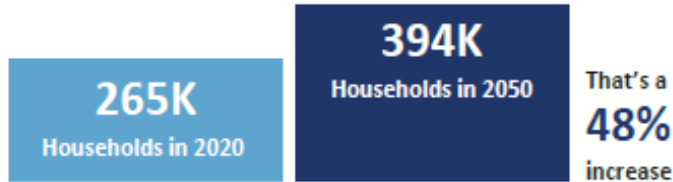
Past exclusionary practices have prevented people of color from purchasing homes, living in certain neighborhoods, and building wealth over time. As a result, they are more likely to experience poverty, housing insecurity, displacement, and homelessness. And while many of our communities are very diverse, we are still contending with segregation and a lack of equitable opportunities. To help prevent displacement due to gentrification and to create a future where it is possible for everyone to find the housing they need, it will be important to plan for a variety of housing types and affordability options in all neighborhoods.



⁵ U.S. Census, American Community Survey.

HOUSEHOLDS + HOUSING

The number of households will continue to grow



Over the past 30 years, new home construction has not kept up with the number of jobs added to the economy. This has led to a housing shortage.

In 2020, there were 265,000 households in San Mateo County. By 2050 we expect that to increase by almost 50%, to 394,000.⁶ This growing demand will continue to put pressure on home prices and rents. Given that nearly 75% of our housing was built before 1980, there will also be a need to upgrade older homes. While upgrades will be essential to make sure housing is of high quality and safe to residents, redevelopment or repair can sometimes result in a loss of affordable housing, especially in older multi-family or apartment buildings.

For every six low-wage jobs (\$20/hour) there is one home in the county that is affordable to such a worker (monthly rent of \$1,500).⁷

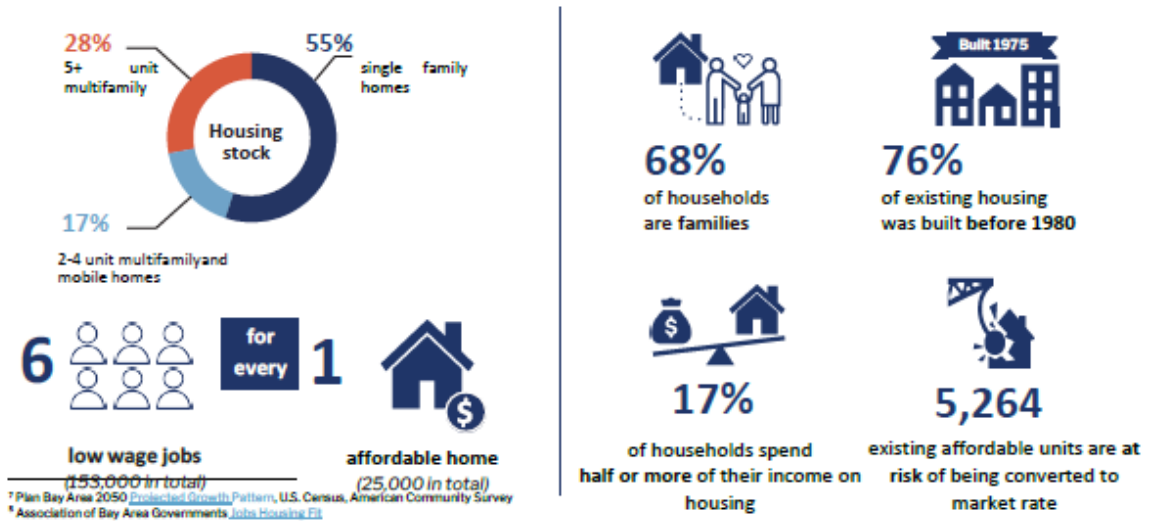
What does this mean for housing needs?

Along with planning for more housing, we also need to consider how to best support the development of low- and moderate-income housing options while preserving existing affordable homes. This includes transitional and supportive housing options for the unhoused and universal design to meet accessibility and mobility needs.

Although the majority of housing produced in the past few decades has been single-family homes or larger multi-family buildings, some households have become increasingly interested in *“missing middle” housing*—smaller homes that include duplexes, triplexes, townhomes, cottage clusters, garden apartments, and accessory dwelling units (ADUs). These smaller homes may provide more options to a diversity of community members across income, age,

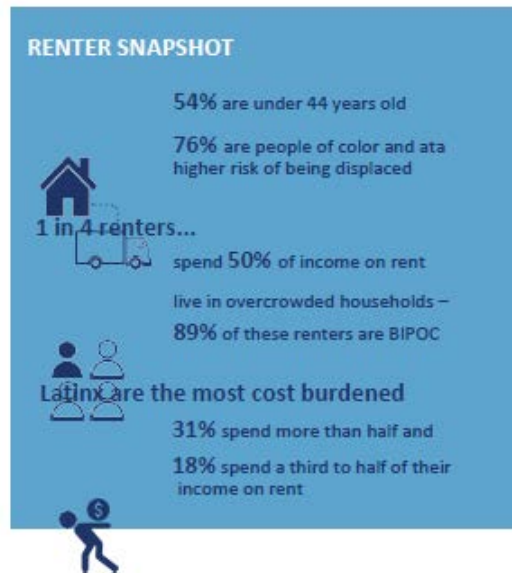
⁶ Plan Bay Area 2050 Projected Growth Pattern, U.S. Census, American Community Survey.

⁷ Association of Bay Area Governments Jobs Housing Fit.



and household size. The Bay Area is a great place to live, but throughout the region and county there just isn't enough housing for all income levels, which has caused costs to go up. Home prices and rents have been steadily increasing the past two decades, but in recent years the jump has been dramatic. **Since 2009, median rent increased 41% to \$2,200, and median home values have more than doubled to \$1,445,000.⁸**

Overall, many residents are paying too much for housing, while many others have been priced out entirely. If a household spends more than 30% of its monthly income on housing, it is considered *cost-burdened*. If it spends more than 50%, it is considered *severely cost-burdened*. Renters are usually more cost-burdened than homeowners.



While home prices have increased

⁸ San Mateo County Association of Realtors, Zillow.

dramatically, homeowners often benefit from mortgages at fixed rates, whereas renters are subject to ups and downs of the market.

JOBS

The number of jobs will continue to grow



In San Mateo County, 17% of households spend half or more of their income on housing, while 19% spend between a one-third to half. However, these rates vary greatly across income and race. Of those who are *extremely low-income*—making 30% or less of the area median income (AMI)—88% spend more than half of their income on housing. Latino renters and Black homeowners are disproportionately cost burdened and severely cost-burdened. Given that people in this situation have a small amount of income to start with, spending more than half what they make on housing leaves them with very little to meet other costs, such as food and healthcare. Very low-income households paying more than 50% of their income on rent are often at a greater risk of homelessness.⁹

As a result, more people are living in overcrowded or unsafe living conditions. They are also making the tough choice to move further away and commute long distances to work or school, which has created more traffic. Since low-income residents and communities of color are the most cost burdened, they are at the highest risk for eviction, displacement, and homelessness.

What does this mean for housing needs?

Although there are complex supply, demand, and economic factors impacting costs, not having enough housing across all incomes has meant rent and prices are just higher. Programs and policies that can support more homes across all income levels, particularly very low-, low-, and moderate-income, are essential, as are more safe, affordable housing options to address homelessness.

The Bay Area and San Mateo County have had very strong economies for decades. While some communities have more jobs and some have less, we have all been impacted by the imbalance of job growth and housing.

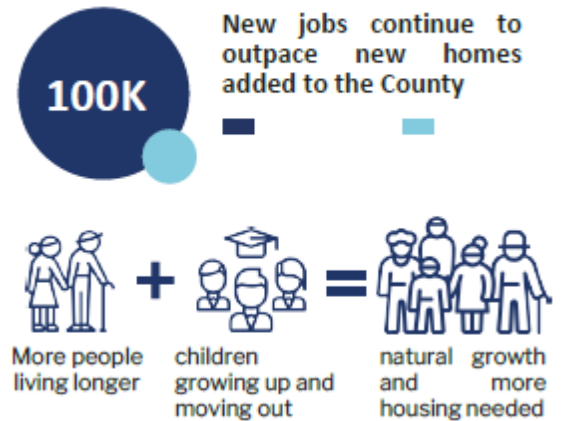
⁹ U.S. Census, American Community Survey.

Since 2010, we have added over 100,000 jobs but only 10,000 homes.¹⁰ At the same time, our population is growing naturally, meaning more people are living longer while our children are growing up and moving out into homes of their own. All of this impacts housing demand and contributes to the rising cost of homes. We need more housing to create a better balance.



NEW JOBS TO NEW HOUSING

2010 - 2020

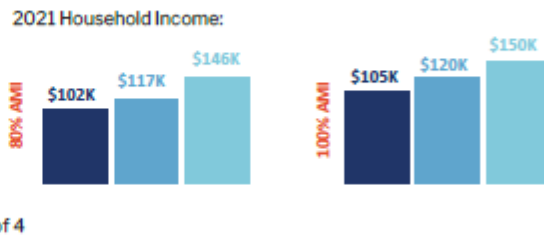


In 2020, there were 416,700 jobs, and by 2050 we expect that to increase 22% to 507,000.¹¹ While some jobs pay very well, wages for many others haven't kept up with how costly it is to live here.

What does this mean for housing needs?

As we plan for housing, we need to consider the needs of our workforce—folks who are a part of our communities but often end their day by commuting long distances to a place they can afford. Many have been displaced in recent decades or years, as housing rent and prices soared along with a job-generating economy. The lack of workforce housing affects us all, with teachers, fire fighters, health care professionals, food service providers, and many essential workers being excluded from the communities they contribute to every day. The long-term sustainability of our communities depends on our ability to create more affordable and equitable housing options.

Our median income is high, but the wage gap continues to grow



¹⁰ U.S. Census American Community Survey, State of CA Employment Development Dept (EDD).

¹¹ Plan Bay Area 2050 Projected Growth Pattern,

To be considered low- or moderate-income in the Bay Area means a very different thing than in most parts of the country. The *income or wage gap*—the difference between the highest and lowest wages—is large in our region. Affordable housing here can mean that your favorite hairstylist, your child’s principal, or the friendly medical assistant at your doctor’s office can qualify for—and often needs—below market rate or subsidized affordable housing so they can live close to their work.

The starting point for this calculation is the *Area Median Income (AMI)*—the middle spot between the lowest and highest incomes earned in San Mateo County. Simply put, half of households make more, and half of households make less. Moderate-income is 80 to 120% of the AMI, low-income is 50% to 80% AMI, and very-low-income is 30 to 50% AMI. Below 30% AMI is considered extremely low-income. The rule of thumb is households should expect to pay about a third of their income on housing.

In San Mateo County, the AMI is \$104,700 for a single person, \$119,700 for a household of two and \$149,600 for a family of four. When we talk about affordable housing, we mean housing that is moderately priced for low- or moderate-income residents so that new families and the workforce can live in our communities. Affordable housing programs are generally for those who earn 80% or below the AMI, which is \$102,450 for a single person, \$117,100 for a household of two, and \$146,350 a year for a household of four.¹²

What does this mean for housing needs?

Given the price of land in San Mateo County and what it costs to build new housing, creating affordable housing is extremely challenging—and often impossible without some form of subsidy. Sometimes this is in the form of donated land from a local government or school district. Sometimes this is in the form of incentives to developers or zoning rules requiring affordable units to be included. Most commonly, subsidies happen through special financing, grants, and tax credits. Often all of these factors and more are needed to make affordable housing work. The housing element update process is an opportunity for each community to look at what is possible and put in place policies and programs to help make affordability a reality.

INCOME LEVELS + WAGES	
Extremely Low Income 30% AMI	Grocery Store Clerk or Barista \$29K/Yr or \$15/Hr 83% of Income spent on housing*
Very Low Income 50% AMI	Hair Stylist or Administrative Assistant \$38K/Yr or \$20/Hr 63% of Income spent on housing*
Low 80% AMI	Medical Assistant or Preschool Teacher \$52K/Yr or \$27/Hr 46% of Income spent on housing* School Administrator or Social Worker \$86K/Yr or \$45/Hr 28% of Income spent on housing*

*Income spent on housing based on 2k per month/studio or 1 bedroom

¹² State of CA Dept of Housing and Community Development (HCD), 2021 Income Limits.

PORTOLA VALLEY POPULATION CHARACTERISTICS AND TRENDS

Housing needs are generally influenced by population and employment trends. This subsection provides a summary of the changes to the population size, age, and racial composition of the Portola Valley.

POPULATION GROWTH

Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. San Mateo County makes up 10% of the total Bay Area population, which is the fifth largest metropolitan area in the country. In 2020, the County’s population was estimated to be 773,244, an increase of 19% since 1990. That trend is expected to continue—despite the impact of the pandemic—because jobs continue to be added.

As Figure 2-1 highlights, from 1990 to 2000, Portola Valley’s population increased by 6.4%, while it decreased by 2.4% during the first decade of the 2000s. This is in stark contrast to the Bay Area region which grew by 14.8%. In the most recent decade, the population of Portola Valley increased by 5.8%. The population of Portola Valley makes up 0.6% of San Mateo County.¹³ As of 2020, the population of Portola Valley is estimated to be 4,607.

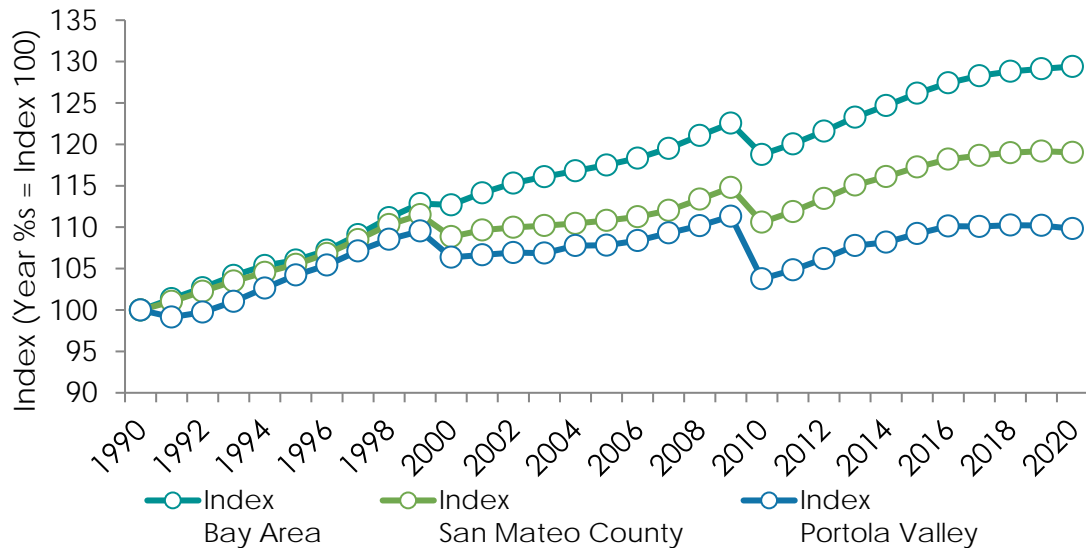


FIGURE 2-1: POPULATION GROWTH TRENDS

Source: California Department of Finance, E-5 series Note: The data shown on the graph represents population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their populations in that year.

¹³ To compare the rate of growth across various geographic scales, Figure 2-1 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the population growth (i.e., percent change) in each of these geographies relative to their populations in 1990.

For some jurisdictions, a break may appear at the end of each decade (1999, 2009) as estimates are compared to census counts. DOF uses the decennial census to benchmark subsequent population estimates.

AGE COMPOSITION

The median age for community members in Portola Valley has increased from 47.2 in 2000 to 51 in 2019. In 2019, 23% of the population was under 18 and 29% was over 65. Between 2010 and 2019, there was a large increase in the amount of young people from age 15 to 24 in the Town of Portola Valley (see Figure 2-2).

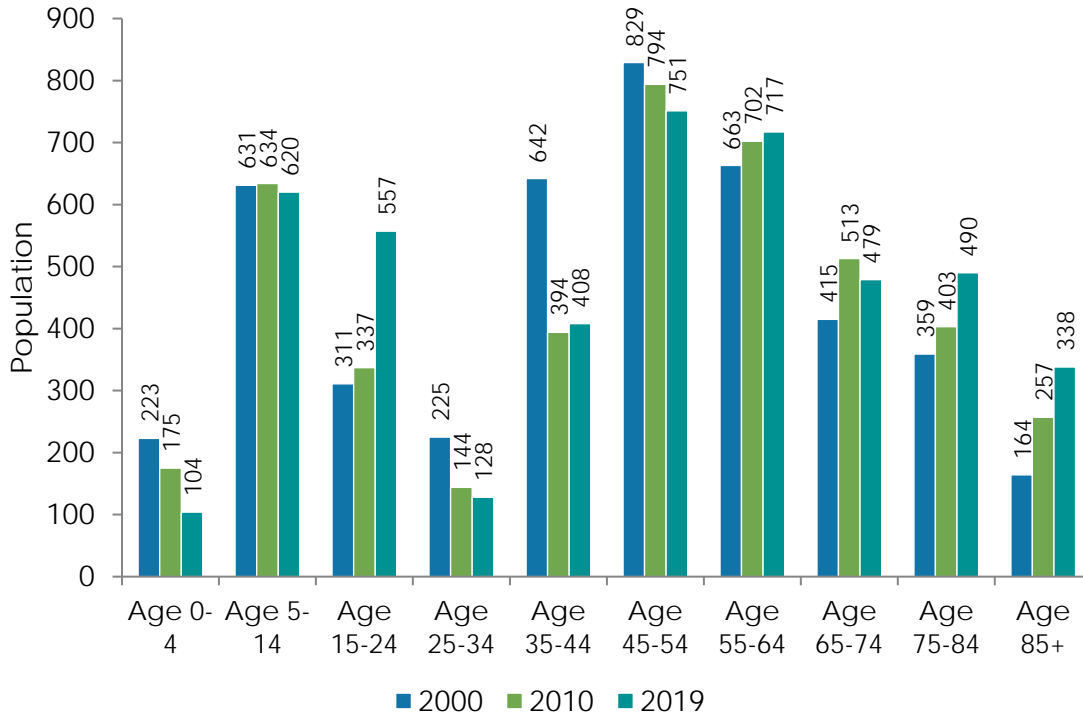


FIGURE 2-2: POPULATION BY AGE, 2000-2019

Source: U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table P12; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001.

An increase in the older population may mean there is a developing need for more senior housing options. There has also been a move by many to age-in-place or downsize to stay within their communities, which can mean more multi-family and accessible units are also needed. Regionally, families and seniors of color are even more likely to experience challenges finding affordable housing. People of color¹⁴ make up 7.4% of seniors and 20.3% of the population is youth under 18 (see Figure 2-3).

¹⁴ Here, we count all non-white racial groups

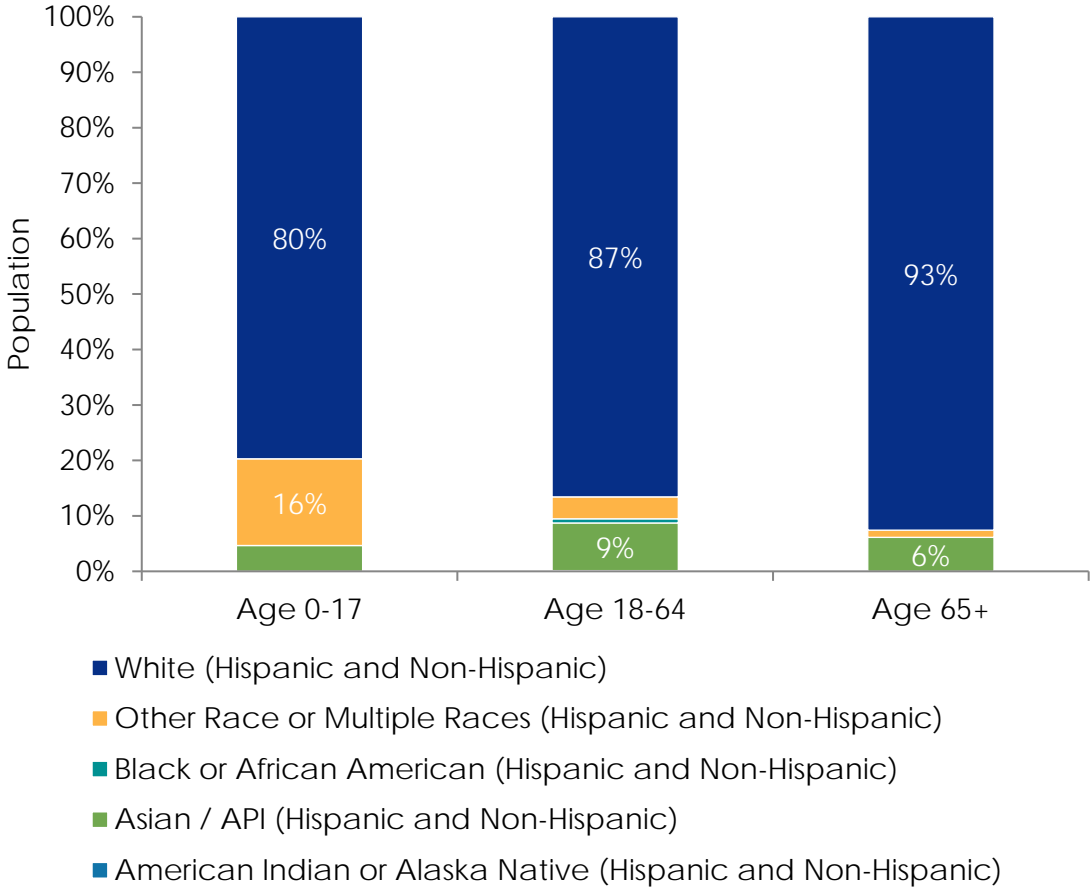


FIGURE 2-3: SENIOR AND YOUTH POPULATION BY RACE

Note: In the sources for this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity, and an overlapping category of Hispanic / non-Hispanic groups has not been shown to avoid double counting in the stacked bar chart.
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-G).

RACE AND ETHNICITY

Understanding the racial makeup of a town and region is important for designing and implementing effective housing policies and programs. Historically, these patterns are shaped by both market factors and government actions, such as exclusionary zoning, discriminatory lending practices and displacement that has occurred over time and continues to impact communities of color today. Since 2000, the percentage of residents in Portola Valley identifying as White has decreased and the percentage of residents of all other races and ethnicities has increased by 9.7 percentage points (see Figure 2-4). However, Portola Valley remains much less diverse than the Bay Area as a whole. In 2019, 82% of the population was White, 6.7% was Hispanic or Latinx, 6.5% was Asian, and 0.4% was African American.

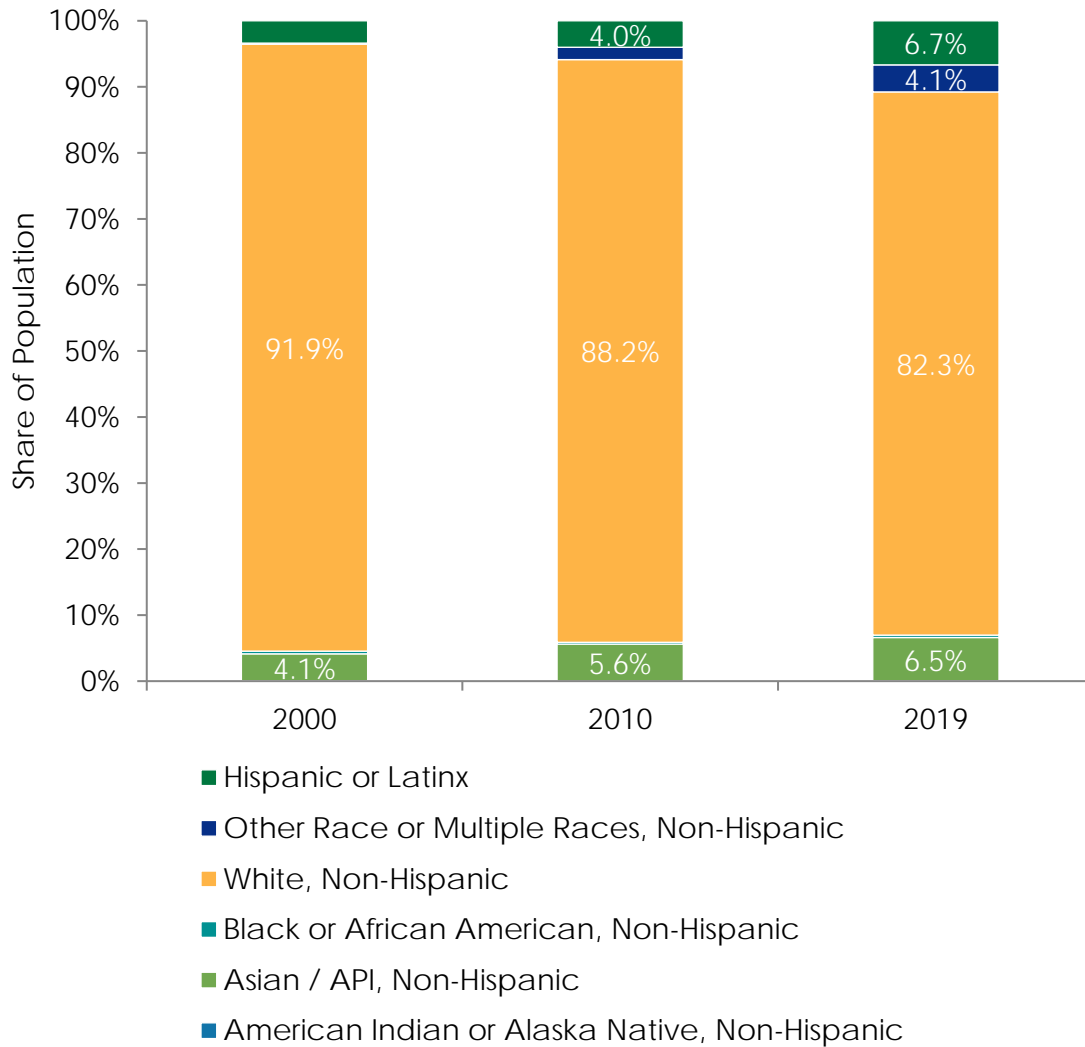


FIGURE 2-4: PORTOLA VALLEY POPULATION BY RACE, 2000-2019

Universe: Total population

Notes: Data for 2019 represents 2015-2019 ACS estimates. The Census Bureau defines Hispanic/Latinx ethnicity separate from racial categories. For the purposes of this graph, the “Hispanic or Latinx” racial/ethnic group represents those who identify as having Hispanic/Latinx ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latinx ethnicity. Source: U.S. Census Bureau, Census 2000, Table P004; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002.

EMPLOYMENT AND INCOME TRENDS

Generally, having a similar number of jobs and employed residents produces more benefits for a community, such as reducing traffic and climate impacts, and allowing people who work in the community to also live there. Smaller jurisdictions, like Portola Valley, typically will have more employed residents than jobs and export workers, while larger cities tend to have a surplus of jobs and import workers. This dynamic not only means many workers will need to prepare for longer commutes, but in the aggregate, it contributes to traffic congestion and time lost for all road users. Despite the number of jobs in Portola Valley increasing by 8.2%

between 2002 and 2018, the jobs-to-household ratio remains at 0.63 which is significantly less than San Mateo County and the Bay Area Region (see Figure 2-5).

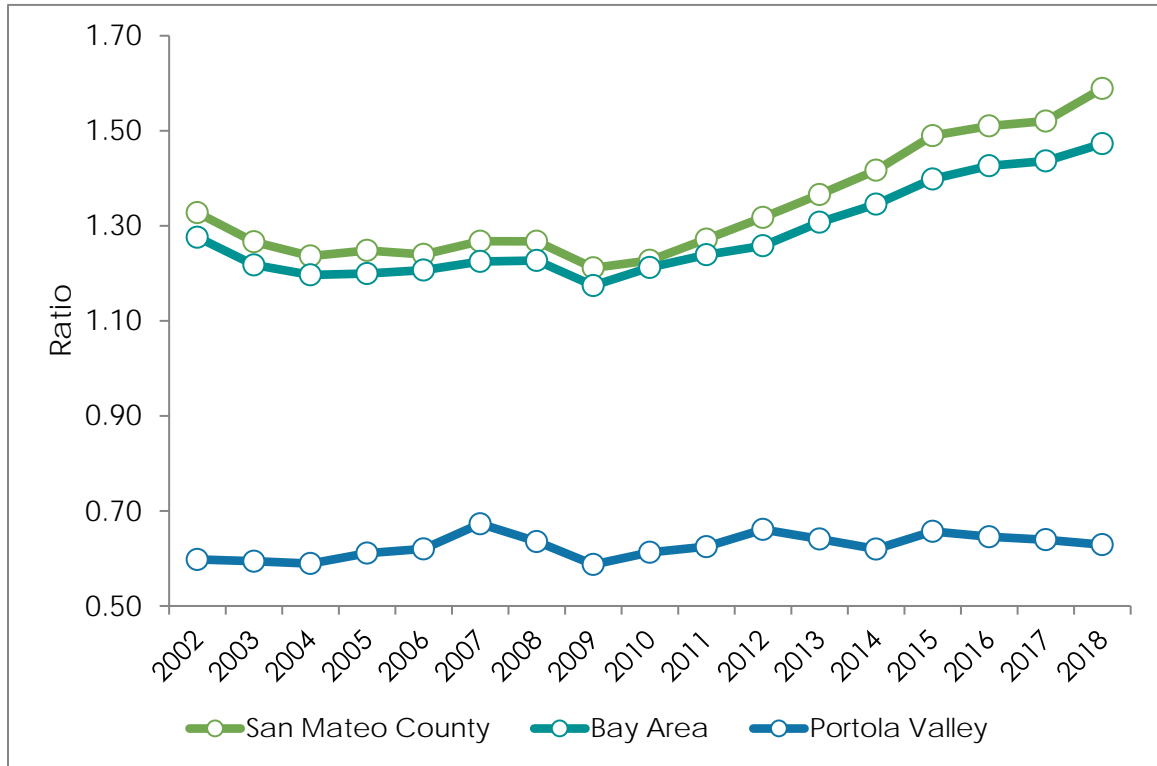


FIGURE 2-5: JOBS-HOUSEHOLD RATIO

Universe: Jobs in a jurisdiction from unemployment insurance-covered employment (private, state, and local government) plus United States Office of Personnel Management-sourced Federal employment; households in a jurisdiction

Notes: The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are cross-walked to jurisdictions and summarized. The ratio compares place of work wage and salary jobs with households, or occupied housing units.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs), 2002-2018; California Department of Finance, E-5 (Households).

Portola Valley has a lower percentage of lower income households than the rest of the county and region, with 22% of households earning less than 80% of the Area Median Income (AMI)¹⁵ compared to 40% of households in San Mateo County and 39% of households in the Bay Area as a whole (see Figure 2-6). This equates to 480 households currently living in Portola Valley who are below the AMI, and 255 households who are below 50% AMI which means they would qualify for very low-income housing.

¹⁵ The Area Median Income is the middle spot between the lowest and highest incomes earned. The AMI for the county is \$104,700 for a single person, \$119,700 for a household of two and \$149,600 for a family of four.

2 | HOUSING NEEDS ASSESSMENT

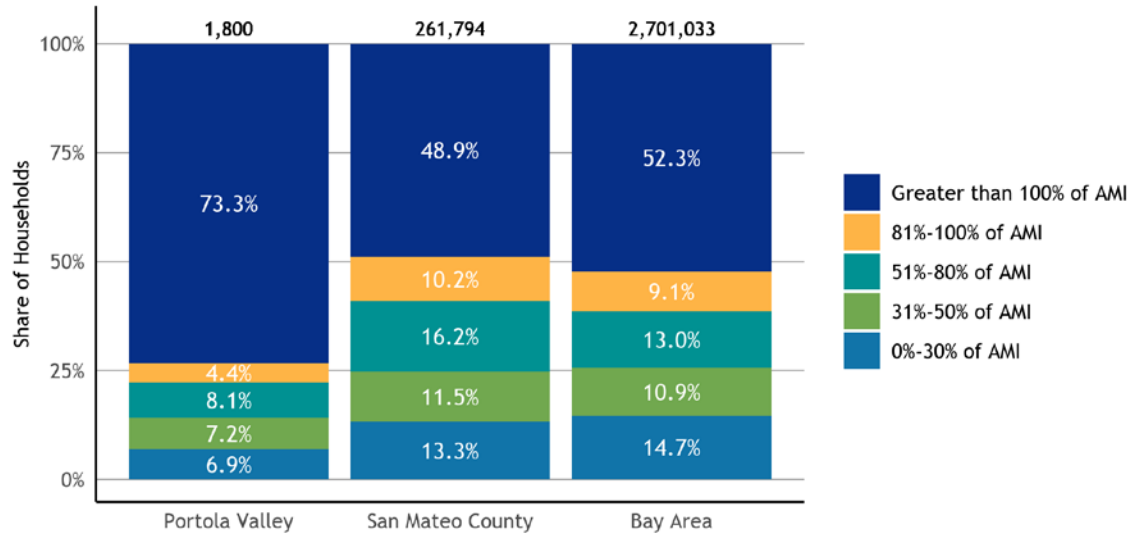


FIGURE 2-6: HOUSEHOLDS BY HOUSEHOLD INCOME LEVEL

Universe: Occupied housing units

Notes: Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. The data that is reported for the Bay Area is not based on a regional AMI but instead refers to the regional total of households in an income group relative to the AMI for the county where that household is located.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

Throughout the region, there are disparities between the incomes of homeowners and renters. Typically, the number of low-income renters greatly outpaces the amount of housing available that is affordable for these households. In Portola Valley, although the largest proportion of both renters and owners falls in the greater than 100% of AMI income group, 19.1% of renters earn less than 30% of AMI compared to 4.1% of owners, and 48.5% of renters earn less than 80% AMI compared to 16.1% of owners.

Poverty in Portola Valley is extremely low, with a rate close to zero. The more pressing issue faced by workers in Portola Valley is being able to afford housing as home and rental prices have greatly increased over time.

Some neighborhoods are identified as “Highest Resource” or “High Resource” by the State of California based on a range of indicators such as access to quality schools, proximity to jobs and economic opportunities, low pollution levels, and other factors.¹⁶ However,

¹⁶ For more information on the “opportunity area” categories developed by HCD and the California Tax Credit Allocation Committee, see this website: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>. The degree to which different jurisdictions and neighborhoods have access to opportunity will likely need to be analyzed as part of new Housing Element requirements related to affirmatively furthering fair housing. ABAG/MTC will be providing jurisdictions with technical assistance on this topic this summer, following the release of additional guidance from HCD.

neighborhoods don't always receive an equitable share of these community resources and may be designated as "Low Resource" if they lack these amenities. All Portola Valley residents live in neighborhoods identified as "Highest Resource" or "High Resource" meaning there are no "Low Resource" neighborhoods in Portola Valley.

HOUSING STOCK CHARACTERISTICS AND TRENDS

HOUSING GROWTH

The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Portola Valley has increased 1.6% from 2010 to 2020, which is much lower than the growth rate for San Mateo County of 3.6% and the 5.0% growth rate of the Bay Area region's housing stock during this time.

HOUSING COSTS AND COST BURDEN

Given high job growth and low housing growth in the county, the cost of housing in Portola Valley has increased significantly in the past decade:

Ownership – In 2020, the average sales price of a single-family home in Portola Valley was approximately \$4,150,338. Home prices increased by 149% from 2010 to 2020. This change is significantly above the change in San Mateo County (107%) and the region (103%).

Rental Prices – Rental prices increased by 47% from 2009 to 2019. The median rent in 2019 was \$2,940. To rent a home without cost burden, a household would need to make \$117,760 per year.

While household incomes within Portola Valley are relatively high when compared to other jurisdictions, there are still households considered some level of cost burdened. In Portola Valley, 12.9% of households spend 30% to 50% of their income on housing and are considered "cost burdened" while 13.5% of households are severely cost burdened and use over 50% of their income for housing. There are disparities in housing cost burden in Portola Valley by tenure, while 20.1% of property owners experience cost burden, 40.2% of renters experience the same. This disparity may be attributed to the Bay Area's relatively high housing prices, as well as a lack of affordable rental housing options within the town, relative to need.

HOUSING TYPE AND TENURE

It is important to the Town of Portola Valley to have a variety of housing types to meet the needs of a community today and in the future, as indicated in the Housing Strategic Plan adopted in 2016 that emphasizes the needs of seniors, young people, and workers. High-cost areas, like Portola Valley, often have difficulty attracting and retaining important vital employees such as teachers, fire fighters, health care professionals, food service providers, and other essential workers that are important to the health and well-being of the town. In 2020, 81.1% of homes in Portola Valley were single-family detached, 0.0% were single-family attached, 2.1% were small multi-family (2-4 units), and while Census data indicates that 16.8%

2 | HOUSING NEEDS ASSESSMENT

were medium or large multi-family (5+ units). Within the Town of Portola Valley, multi-family units are comprised of units located at the Sequoias, a multi-unit buy-in retirement community located in the central portion of the town along Portola Road.

Between 2010 and 2020, the number of single-family detached units continued to increase more than any other unit type.

The number of residents who own their homes compared to those who rent their homes can also help identify the level of housing insecurity, which can be understood as the ability for individuals to stay in their homes and not be forced to leave due to increases in cost or owners' activities outside of their control. Generally, renters may be displaced more quickly if prices increase, and are more likely to experience overcrowding. Overcrowding occurs when the number of people living in a household is greater than the home was designed to hold, defined by HCD as more than one occupant per room (not including bathrooms or kitchens). Additionally, the Census Bureau considers units with more than 1.5 occupants per room to be severely overcrowded. In Portola Valley, 0.0% of both renter and owner households are severely overcrowded, but 8.1% of renters experience moderate overcrowding (1 to 1.5 occupants per room) compared to 0.0% for those that own.

In Portola Valley there are a total of 1,685 housing units, and fewer residents rent than own their homes: 22.6% versus 77.4% (see Figure 2-7). By comparison, 39.8% of households in San Mateo County are renters, while 43.9% of Bay Area households rent their homes.

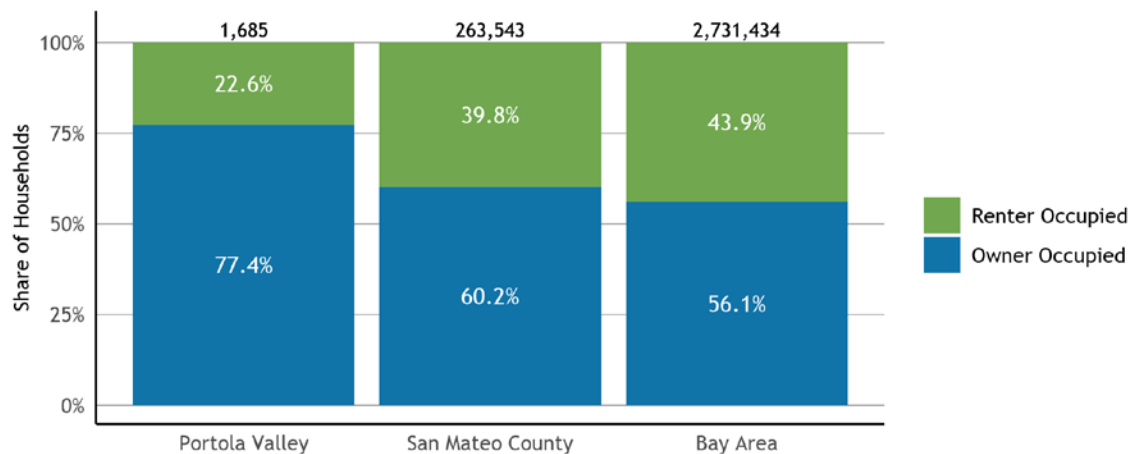


FIGURE 2-7: HOUSING TENURE

Universe: Occupied housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003.

The age of residents who rent or own their home can also signal the housing challenges a community is experiencing. Younger households tend to rent and may struggle to buy a first home in the Bay Area due to high housing costs. At the same time, senior homeowners seeking to downsize may have limited options in an expensive housing market. In Portola Valley, 0.0% of householders between the ages of 25 and 44 are renters, while 26.1% of householders over 65 are renters.

Vacant units make up 7.7% of the overall housing stock in Portola Valley. The rental vacancy stands at 0.0%, while the ownership vacancy rate is 2.8%. Of the vacant units in Portola Valley, the most common type of vacancy according to Census data is for seasonal, recreational, or occasional use which included 104 units according to Census data from 2019. A vacancy rate of at least 5% for rental housing and 2% for ownership housing is generally considered a healthy balance between supply and demand.

HOUSING CONDITION

Generally, there is limited data on the extent of substandard housing issues in a community. However, Census Bureau data gives a sense of some of the substandard conditions that may be present, specifically a lack of kitchen and plumbing facilities which is often used as an indicator of substandard housing conditions. Per US Census Data, 31.8% of renters in Portola Valley reported lacking a kitchen and 0% of renters lack plumbing, whereas 1.2% of property owners in the town report lacking a kitchen and 0% of property owners report lacking plumbing. It is likely that the high number of renters reporting a lack of kitchen facilities in the town may be attributed to The Sequoias retirement community located off Portola Road. This facility accommodates over 300 senior citizens and offers meal plans/packages to residents as well as studio living arrangements.

In addition to lacking plumbing or kitchen facilities, the age of a community's housing stock can provide another indicator of overall housing conditions. Typically, housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work, and other repairs. In Portola Valley, the largest proportion of the housing stock was built between 1960 to 1979, with 763 units constructed during this period. While most of the town's housing stock was constructed prior to the 30-year benchmark, due to the town's high household incomes which allow for routine maintenance and improvements, the age of units in the town is not believed to contribute to substandard housing conditions. More so, existing homes in the town are bought and sold, new owners are anticipated to remodel and update housing units. Based on the above data, staff estimates that approximately 10 ownership units may require rehabilitation, mostly due to long term owners, or children of long-term owners, that may own property but lack discretionary income to fund improvements.

SPECIAL NEEDS POPULATIONS

Finally, some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. Government Code section 65583, subdivision (a)(7) requires each jurisdiction to include analyses for the following populations: senior households, persons with disabilities (including developmental disabilities), large households, farmworkers, female-headed households, and homeless. For resources available for these special needs populations, see *Section 5, Resources*.

SENIOR HOUSEHOLDS

Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions, and/or reduced mobility. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. 71.4% of seniors making less than 30% of AMI in Portola Valley are spending most of their income on housing. For seniors making more than 100% of AMI, 94.5% are not cost-burdened and spend less than 30% of their income on housing.

PERSONS WITH DISABILITIES

People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive, and sensory impairments, many people with disabilities live on fixed incomes and need specialized care, yet often rely on family members for assistance due to the high cost of care. In Portola Valley, 10.2% of residents (467 individuals) have a disability of some kind and may require accessible housing,¹⁷ which is above the percentage in the County (8.2%) and the Bay Area Region (9.6%). According to the California Department of Developmental Services, in 2020, there were 6 individuals with a developmental disability, including 3 children and 3 adults.

LARGE HOUSEHOLDS

Large family households often have special housing needs due to a lack of adequately sized affordable housing available. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden than the rest of the population and can increase the risk of housing insecurity. In Portola Valley, for large households with 5 or more persons, most units (89.6%) are owner occupied. In 2017, 0.0% of large households were very low-income, earning less than 50% of AMI. Large families are generally served by housing units with 3 or more bedrooms, of which there are 1,374 units in Portola Valley. Among these large units with 3 or more bedrooms, 9.9% are renter-occupied and 90.1% are owner occupied.

FEMALE-HEADED FAMILY HOUSEHOLDS

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. In Portola Valley, the largest proportion of households is married-couple family households at 64.2% of total, while female-headed households make up 5.8% of all households. Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging. In Portola Valley, none of the

¹⁷ These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

female-headed households with children fall below the Federal Poverty Line, nor do any of the of female-headed households without children.

FARMWORKERS

Across the state, housing for farmworkers has been recognized as an important and unique concern. Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next. Farmers and farmworkers are the keystone of the larger food sector, which includes the industries that provide farmers with fertilizer and equipment; farms to produce crops and livestock; and the industries that process, transport, and distribute food to consumers. While overall the Bay Area has shifted away from our historical agricultural economic base, Bay Area counties still preserve strong agricultural roots. And yet, the responsibility for farmworker housing is not just with these counties. In many counties, farmworkers choose to live within incorporated cities due to the diversity and availability of housing, proximity to schools and other employment opportunities for other family members, and overall affordability. Many farmworker households tend to have difficulties securing safe, decent, and affordable housing. Far too often, farmworkers are forced to occupy substandard homes or live in overcrowded situations.

In the Bay Area, about 3.7% of farmworkers, including both seasonal and permanent residents, are in San Mateo County. However, per the USDA, today's farmworkers can commute up to 75 miles to the workplace. Based on this, the need for housing for agricultural workers is not just the responsibility of Bay Area counties with a robust agricultural economy. In Portola Valley, according to the U.S. Census Bureau, ACS 5-Year Data (2015-2019), there are approximately 22 residents employed in the agriculture, forestry, and fishing industries.

EXTREMELY LOW-INCOME HOUSEHOLDS

Extremely low-income (ELI) households refer to households earning less than 30% of AMI and are considered a subset of very-low-income households, one of the income groups identified in State RHNA requirements. In San Mateo County, 30% AMI is the equivalent to the annual income of \$44,000 for a family of four. Many households with multiple wage earners—including food service workers, full-time students, teachers, farmworkers, and healthcare professionals—can fall into lower AMI categories due to relatively stagnant wages in many industries.

As part of the Housing Element update process communities are required by the State to analyze the existing and projected housing needs of extremely low-income households. In analyzing the projected housing needs of ELI households, HCD advises communities to utilize available census data OR assume 50% of their very-low income (VLI) RHNA requirement represents needs of ELI households. Accordingly, due to the Town's VLI RHNA requirements equating to 73 units, approximately 37 of these units are assumed to be ELI households.

PEOPLE EXPERIENCING HOMELESSNESS

Homelessness remains an urgent challenge throughout the region, reflecting a range of social, economic, and psychological factors. Homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction and those dealing with traumatic life circumstances. In San Mateo County, the most common type of household experiencing homelessness is those without children in their care. Among households experiencing homelessness that do not have children, 75.5% are unsheltered. Of homeless households with children, most are sheltered in emergency shelters.

San Mateo County conducted the latest point-in-time (PIT) Count on February 24, 2022. Volunteers were deployed to conduct an observational count of those experiencing unsheltered homelessness. San Mateo County conducted the unsheltered homeless survey through March 3, 2022. In both 2019 and 2022, Portola Valley had 0 homeless individuals according to the most recent PIT San Mateo County data (<https://www.smcgov.org/hsa/2022-one-day-homeless-count>) (see Table 2-2).

More information on each of these population groups can be found in Appendix B.

TABLE 2-2: UNSHELTERED HOMELESS COUNT BY SAN MATEO COUNTY JURISDICTION

City/Town	2011 Count	2013 Count	2015 Count	2017 Count	2019 Count	2022 Count
Atherton	1	0	1	0	1	3
Belmont	1	43	11	3	7	13
Brisbane	0	34	21	19	4	6
Burlingame	3	13	7	21	25	10
Colma	1	7	3	1	8	1
Daly City	44	27	32	17	66	49
East Palo Alto	385	119	95	98	107	169
Foster City	0	7	0	6	4	4
Half Moon Bay	41	114	84	43	54	68
Hillsborough	0	0	0	0	0	0
Menlo Park	72	16	27	47	27	56
Millbrae	1	21	8	7	9	9
Pacifica	95	150	63	112	116	161
Portola Valley	16	2	0	1	0	0
Redwood City	233	306	223	94	221	245
San Bruno	14	98	8	26	12	63
San Carlos	9	10	20	28	30	14
San Francisco International Airport	9	5	1	3	21	14
San Mateo	68	103	82	48	74	60
South San Francisco	122	173	55	33	42	42
Unincorporated	47	46	32	30	73	105
Woodside	0	6	2	0	0	0
Total	1,162	1,299	775	637	901	1,092

Note: Universe: Population experiencing homelessness.

Source: 2022 San Mateo County One Day Homeless Count and Survey Executive Summary

SECTION 3. AFFIRMATIVELY FURTHERING FAIR HOUSING

The State of California's 2018 Assembly Bill (AB 686) requires that all public agencies in the State affirmatively further fair housing (AFFH) beginning January 1, 2019. Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice.

AFFIRMATIVELY FURTHERING FAIR HOUSING

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)"

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the housing element and general plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

In order to comply with AB 686, the Town has collaborated with Roots Policy Research, 21 Elements, the Association of Bay Area Governments (ABAG), and UC Merced to complete a full assessment and outreach plan, including an analysis of the history of the region in regard to fair housing, which can be found in Appendix C.

BACKGROUND

The Town of Portola Valley is considered a high resource community that has historically consisted of single-family detached homes on large lots. In recent decades, housing has not been affordable to households earning less than 100% area median income (AMI). This pattern of development, compounded by opposition to past affordable housing development projects, has contributed to a lack of affordable housing opportunities in Portola Valley.

Recognizing these challenges, the Town created an Affiliated Housing Program in 1990 to allow multifamily housing on “institutional” sites for employees and staff affiliated with the institution that owns the parcel, to live and work in Town. The Program has had three “partners” that have the option of building housing for their employees. This has successfully led to the development of 13 affiliated housing units at the Woodside Priory School. The second partner, The Sequoias, is a retirement community that is currently interested in developing new senior units and five workforce housing units. The third partner is Stanford University; the Town has 39 proposed housing units in the pipeline including 27 faculty units and 12 affordable units.

As part of the 6th Cycle Housing Element Update, the Town is working with new partners interested in the Affiliated Housing Program (Ladera Church and Christ Church), in addition to the Town itself, to provide more multifamily housing for low- and moderate-income families and people employed in the Town. The Town is also creating two new multi-family zoning districts and a new mixed-use zoning district to increase the diversity of housing types in the community. Finally, the Town is proposing innovative programs to affirmatively further fair housing, including:

- Developing a matching Accessory Dwelling Unit (ADU) rental program for low-income tenants located outside of Portola Valley who have experienced displacement with Portola Valley ADU owners renting ADUs at below market rates.
- Identifying a portion of the Dorothy Ford Field (a Town-owned site) as a housing opportunity site to be developed with 50 very low-income units.

PRIMARY FINDINGS

This section summarizes the primary findings from the Fair Housing Assessment for Portola Valley including the following sections: fair housing enforcement and outreach capacity, integration and segregation, access to opportunity, disparate housing needs, and contributing factors and the Town’s fair housing action plan. The full Fair Housing Assessment is included as Appendix C.

- Compared to the county overall, **Portola Valley has limited racial and ethnic diversity**: Countywide, racial/ethnic minorities account for 61% of the overall population; however, they only account for 18% in Portola Valley.
- **Economic diversity is also limited**: 73% of households in Portola Valley earn more than 100% AMI compared to 49% in the county overall. All census block groups in the town have median incomes above \$125,000 and poverty is low throughout Portola Valley.
- Countywide, racial and ethnic minority populations are **disproportionately impacted by poverty, low household incomes, cost burden, overcrowding, and homelessness** compared to the non-Hispanic White population. Additionally, **racial and ethnic minorities are more likely to live in moderate resources areas and be denied for a home mortgage loan**. Similar disparities are not evident in the Town of Portola Valley, however, in part due to the limited racial/ethnic and economic diversity

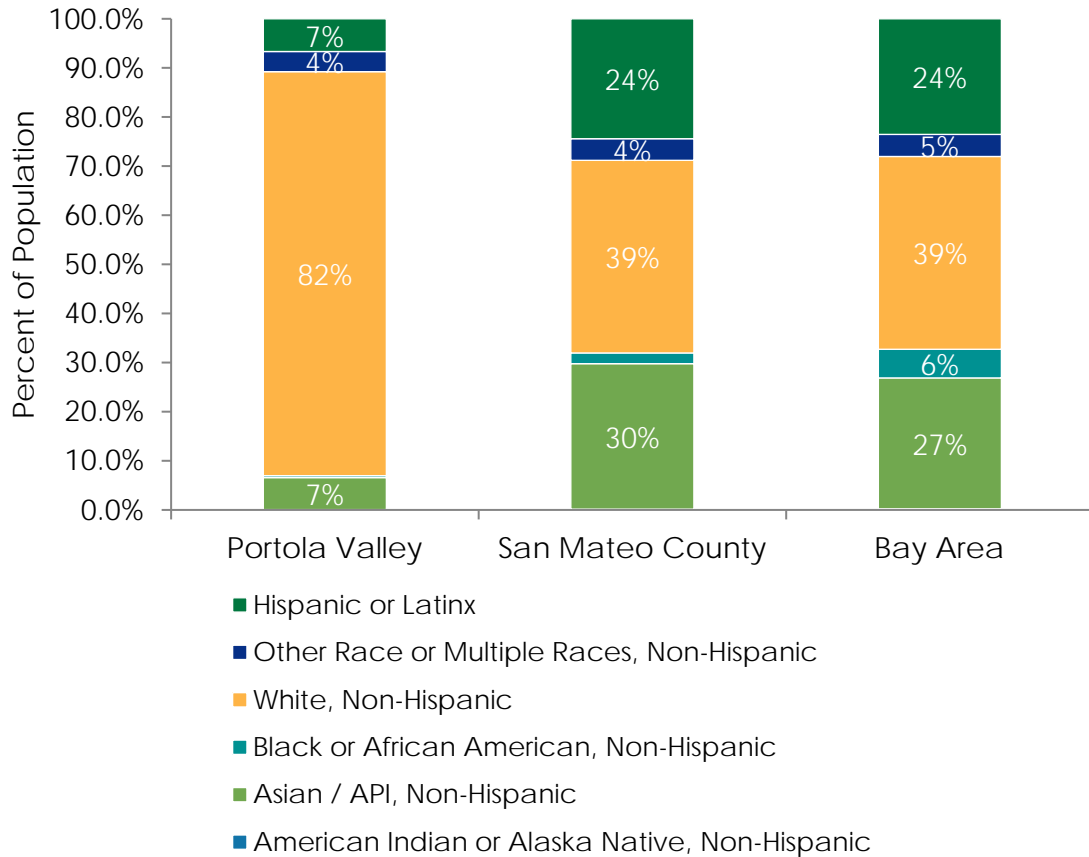


FIGURE 3-1: PORTOLA VALLEY POPULATION BY RACE COMPARED TO REGION

Universe: Total population

Notes: Data for 2019 represents 2015-2019 ACS estimates. The Census Bureau defines Hispanic/Latinx ethnicity separate from racial categories. For the purposes of this graph, the “Hispanic or Latinx” racial/ethnic group represents those who identify as having Hispanic/Latinx ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latinx ethnicity. Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002.¹

noted above. In the regional context, **Portola Valley represents a high opportunity area with relatively low accessibility to low- and moderate-income households, which are more likely to be racial/ethnic minorities.**

- **No fair housing complaints were filed** in Portola Valley from 2017 to 2021. Even so, the Town of Portola Valley could improve the accessibility of fair housing information on their website and resources for residents experiencing housing discrimination. However, a new program proposes creating a webpage specific to fair housing on the Town’s website identifying it as a resource for residents to understand and report housing discrimination.

¹ The 2010 U.S. Census and 5-year ACS estimates were used as much of this work was done before the 2020 U.S. Census data was publicly available.

- There are disparities in housing cost burden in Portola Valley by tenure—but the population of racial minorities is so low that there are not disparities by race/ethnicity. 46.9% of renters experience cost burden in the town, compared to 20.2% of homeowners.
- **Poverty in Portola Valley is extremely low, with a rate close to zero.** The more pressing issue faced by workers in Portola Valley is being able to afford housing as home and rental prices have greatly increased over time.
- The composite opportunity score for Portola Valley shows the town to be a “highest resource area” and the Social Vulnerability Index (SVI) provided by the Centers for Disease Control and Prevention (CDC) ranks the town as “low vulnerability to a disaster (based on four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation).
- Portola Valley is entirely contained within a single census tract—the standard geographic measure for “neighborhoods” in U.S. Census data products. As such, the town does not contain any racial/ethnic concentrations, poverty concentrations, nor concentrations of housing problems.
- Portola Valley, served by the Sequoia Union High School District and the Portola Valley Elementary School District, has very high education outcomes. However, the schools in Portola Valley have the highest share of White students in the County, making them **among the least racially and ethnically diverse districts.** Portola Valley has the least diverse faculty and staff in the county, with 59% identifying as White. While Sequoia Union has among the highest rate of graduates who met admission standards for a University of California (UC) or California State University (CSU) school, **Pacific Islander, Black, and Hispanic students in the Sequoia Union district were substantially less likely to meet the admission standards,** with rates of 38%, 50%, and 55% respectively. Overall, Sequoia Union High School has one of the highest dropout rates—10% of students—compared to other districts in the county. Still, **dropout rates among Hispanic (16%), Black (12%), and Pacific Islander (20%) students are even higher.**
- **Portola Valley lacks a variety of housing types.** In 2020, 81.1% of homes in Portola Valley were single family detached, 0.0% were single family attached, 2.1% were small multifamily (2-4 units), and 16.8% were medium or large multifamily (5+ units). The medium or large multifamily units are located at The Sequoias. There is no multifamily zoning in Portola Valley.
- **Barriers to housing choice are largely related to the town’s very high costs of housing and lack of affordable production.** Since 2015, the housing that has received permits to accommodate growth has largely been priced for above moderate-income households. Approximately 49.4% of the town’s rental units rent for \$3,000 or more, compared to 22.1% in San Mateo County and 13.0% in the Bay Area region.
- Renters are more likely to be living in 1- and 2-bedroom units than owners, and owners are more likely to be occupying 3- to 4- and 5-bedroom units. To the extent that larger

renter households desire to live in Portola Valley, the lack of rental housing stock to accommodate their needs could limit their access to housing in the town.

- Portola Valley has a **slight concentration of residents with a disability with 10% of the population compared to 8% in the county**. Even so, unemployment among residents living with a disability (3%) in Portola Valley is the same as those without a disability (3%) and similar to the county overall.
- **Disparities by race and ethnicity are prevalent for home mortgage applications**, particularly in denial rates. Hispanic (29% denial rate) and Asian households (19%) had the highest denial rates for mortgage loan applications in 2018 and 2019. Conversely, non-Hispanic White (15%) and households of unknown race/ethnicity (11%) have the lowest denial rates during the same time.

CONTRIBUTING FACTORS AND FAIR HOUSING ACTION PLAN

The disparities in housing choice and access to opportunity discussed above stem from historical actions, socioeconomic factors that limit employment and income growth, broad barriers to open housing choice, and until recently, very limited resources to respond to needs. Pursuant to Government Code Section 65583 (c)(10)(A)(v), the Housing Element includes several policies and programs to proactively address fair housing issues. Table 3-1 below summarizes the fair housing issues, contributing factors, and implementation programs included in the Housing Element to affirmatively further fair housing in Portola Valley.

TABLE 3-1: SUMMARY MATRIX OF FAIR HOUSING ISSUES AND ACTIONS

Fair Housing Issues	Contributing Factors	Meaningful Program Actions (from Section 7, Goals, Policies, and Programs)	Targets and Timelines
<p>The Town of Portola Valley has limited racial and ethnic diversity (18% of residents are non-White Hispanic) compared to San Mateo County (61%) and the Bay Area overall, and very limited economic diversity (73% of households earn more than 100% AMI compared to 49% in the county overall). Portola Valley has a lower percentage of lower income households than the rest of the San Mateo County and the Bay Area, with 22% of households earning less than 80% of the AMI compared to 40% of households in San Mateo County and 39% of households in the Bay Area as a whole. This equates to 480 households currently living in Portola Valley who are below the AMI, and 255 households who are below 50% AMI which means they would qualify for very low-income housing.</p>	<p>There is a lack of affordable housing opportunities throughout the town.</p> <p>There are no areas of the town that are zoned to allow moderate or high-density residential development. Existing policies do not encourage a range of housing types.</p>	<ul style="list-style-type: none"> ▪ 1-1: Create a new “Gateway” land use classification in the General Plan and two new zoning districts that allows for multi-family housing at four and 20 du/acre to provide for development of housing at lower-income levels. ▪ 1-2: Create a new zoning district that allows for mixed-use development with up to six du/ac and would allow for up to 100% of building floor area to be dedicated to residential uses. ▪ 2-1: Amend the zoning ordinance to establish inclusionary housing requirements for new multi-family housing developments. ▪ 2.2: Develop a program to manage new affordable housing units in the town. ▪ 7-3: Provide direct assistance from the Building Division for property owners interested in making minor changes to accommodate a JADU. ▪ 7-4: Establish staff and consultant ADU office hours so that applicants can ask questions of subject matter experts. ▪ 7-6: Develop an affordable ADU rental program that matches landlords willing to rent ADUs at below market rates with low-income tenants that who have been experienced displacement from areas outside of Portola Valley due to increasing rents with Portola Valley ADU owners 	<ul style="list-style-type: none"> ▪ Upon Adoption ▪ Upon Adoption ▪ June 2024 ▪ Initiate by June 2023; implement program by December 2023. ▪ June 2023 ▪ Initiate office hours by June 2023. ▪ Develop program by June 2023.

TABLE 3-1: SUMMARY MATRIX OF FAIR HOUSING ISSUES AND ACTIONS

Fair Housing Issues	Contributing Factors	Meaningful Program Actions (from Section 7, Goals, Policies, and Programs)	Targets and Timelines
<p>In 2018 and 2019, Hispanic or Latinx and Asian households in Portola Valley faced higher rates of mortgage loan denials when trying to purchase homes in Portola Valley (29% and 19%, respectively).^a</p>	<p>It is well documented that persons of color have been historically denied loans to purchase homes at a higher rate than white applicants. These historical patterns persist in some cases.</p>	<p>willing to rent ADUs at below market rates.</p> <ul style="list-style-type: none"> ▪ 8-5: Rezone properties in the town to allow multi-family housing with a range of affordability levels and deed restrictions to ensure affordability over time. Affirmatively market the housing to households that are under-represented in the town including Black and Hispanic households. ▪ 8-6: Through collaboration with local service providers, convene a discussion of populations that are experiencing comparatively high rates of cost burden to discuss solutions for relief. Consider a rental assistance program tailored to extremely high cost-burdened residents (residents that pay a very high percentage of their income towards housing). This may be in coordination with ADU/JADU programs. Include Black, Indigenous and people of color in these conversations. ▪ Mortgage acceptance rates are outside of local control. It is included here to bring attention to this issue. 	<ul style="list-style-type: none"> ▪ Complete rezoning by 3 years and 120 days from January 31, 2023. ▪ Convene by June 2024. Consider program by December 2024.
<p>Portola Valley residents do not report experiencing fair housing</p>	<p>Tenants and property owners may lack knowledge about fair</p>	<ul style="list-style-type: none"> ▪ 8-7: Collaborate with other cities/towns and Project Sentinel, or another similar 	<ul style="list-style-type: none"> ▪ Establish list by December 2023. Issue written materials annually

TABLE 3-1: SUMMARY MATRIX OF FAIR HOUSING ISSUES AND ACTIONS

Fair Housing Issues	Contributing Factors	Meaningful Program Actions (from Section 7, Goals, Policies, and Programs)	Targets and Timelines
discrimination. However, residents may not take action because they are not aware of resources for fair housing.	housing laws. Limited information provided by the Town on fair housing rights.	<p>organization, to perform fair housing training for property owners, real estate agents, and tenants across the region. The training would include information on reasonable accommodation and source of income discrimination, as well as other fair housing information with emphasis on certain topics driven by housing complaint data and information from stakeholders. Participation in fair housing training will be required for approval of landlords’ business licenses. Focus enforcement efforts on race-based discrimination and reasonable accommodations.</p> <ul style="list-style-type: none"> ▪ 8-8: Create a webpage specific to fair housing including resources for residents who feel they have experienced discrimination, information about filing fair housing complaints with HCD or HUD, and information about protected classes under the Fair Housing Act. 	<p>thereafter. Conduct two workshops by 2030.</p> <ul style="list-style-type: none"> ▪ December 2023

^a Federal Financial Institutions Examination Council's (FFIEC) Home Mortgage Disclosure Act loan/application register (LAR) files.

SECTION 4. CONSTRAINTS

Many factors can encourage or constrain the development, maintenance, and improvement of the housing stock, including economic forces in the private market as well as regulations and policies imposed by public agencies. Constraints including physical constraints, land availability, the economics of development, and governmental regulations each have an impact on the cost and amount of housing produced.

State law, specifically Government Code Section 65583(a)(5-6), requires that housing elements analyze potential and actual governmental and nongovernmental constraints to the production, maintenance, and improvement of housing for persons of all income levels and disabilities. The constraints analysis must also demonstrate local efforts to remove or mitigate barriers to housing production and housing for persons with disabilities. The identification and analysis of these constraints have informed the Town of Portola Valley's development of appropriate programs that mitigate these constraints, as provided in *Section 7, Goals, Policies, and Programs*.

GOVERNMENTAL REGULATIONS AND CONSTRAINTS

FEDERAL AND STATE

Federal and State programs and agencies play a role in the imposition of non-local governmental constraints. Federal and State requirements are generally beyond the influence of local government and therefore cannot be effectively addressed in this document.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) was developed to protect the quality of the environment and the health and safety of the public from adverse environmental effects. Development projects are required to be reviewed consistent with CEQA standards to determine if there is potential for the project to cause significant adverse effect on the environment. Depending on the type of project and its potential effects, technical traffic, noise, air quality, biological resources, and geotechnical reports may be needed. If potential adverse effects can be mitigated, a Mitigated Negative Declaration is required. If potentially adverse effects cannot be mitigated, an Environmental Impact Report (EIR) is required. These documents have mandated content requirements and public review times. Preparation of CEQA documents can be costly and, despite maximum time limits set forth in the Public Resources Code, can extend the processing time of a project by a year or longer.

Prevailing Wage Laws

Public works projects and affordable housing financed with public funds are required to pay prevailing wages, which create a significant cost impact on the construction or rehabilitation of affordable housing units for low- or moderate-income persons and the infrastructure to

support such housing. The rehabilitation of certain qualifying affordable housing units for low- or moderate-income persons is exempt from this requirement. Senate Bill (SB) 972 provided exemptions from prevailing wage requirements for the construction or rehabilitation of privately owned residential projects.

Governmental constraints can limit the supply and increase the cost of housing, making it difficult to meet the demand especially for affordable housing. Governmental constraints typically include policies, standards, requirements, or actions imposed by the various levels of government upon land use and development such as zoning and subdivision regulations, growth management measures, building codes, fees, and processing and permit procedures. The City has limited influence over state and federal requirements that may constrain housing, but the State affords local agencies considerable flexibility in establishing land use policies and regulations. Therefore, the discussion in this subsection is generally limited to the policies, standards, requirements, and actions at the local level.

LOCAL

Town policies and regulations designed to address the Town's goals for the overall quality of housing, preservation of neighborhood character, or safety or environmental goals can also result in constraints to housing. Portola Valley is a rural, low-density town on the fringe of the San Francisco Peninsula's urban area. The physical environment of the town is challenging, with many steep slopes, unstable soils, landslide hazards, worsening wildfire hazards, and the presence of the San Andreas fault. The Town's development regulations are based on these facts. This subsection describes the Town's policies and regulations that could potentially constrain housing and discusses measures to reduce such constraints.

Context for the Town's Development Regulations

The town's low-density nature is consistent with and was partially based on the San Mateo County Master Plan that was in place at the time the town incorporated. This plan included the following principles:

- a. The highest population densities should occur in relatively level areas close to major centers of commerce and industry where coordinated development is possible and where transportation and other necessary public facilities can readily be provided.
- b. Population density should decrease as the distance from district centers, industrial areas, and employment centers increases.
- c. Population density should decrease as distance from local service facilities increases.
- d. Population density should decrease as steepness of terrain increases.
- e. The lowest densities and largest lots should occur on steep hillsides or in mountainous areas where it is necessary to limit storm runoff, prevent erosion, preserve existing vegetation, protect watersheds, and maintain the scenic quality of the terrain.

The Town's geologic setting is a major constraint on housing production. Starting in 1965, the Town has evolved an innovative and systematic approach to regulating the development of

lands crossed by the San Andreas fault and encumbered with extensive areas of steep and unstable slopes. The regulations, which have been used as models for ordinances adopted by other jurisdictions in California and in other states, control the uses of land and the intensity of development according to slope and geologic characteristics. The base regulations include a slope-density system, setbacks from the San Andreas fault and land use limitations based on landslide hazards. The Town has detailed fault and landslide potential maps to support the regulations. The maps are updated from time to time as more accurate and detailed information from site investigations becomes available.

Portola Valley is in a region of high seismicity because of the presence of the San Andreas Fault that bisects the town, the Hayward Fault across the bay to the east, and the San Gregorio Fault to the west. Therefore, the entire town is susceptible to potential ground shaking from these three large faults. However, the Portola Valley Municipal code has established special building setbacks along earthquake fault traces to minimize the potential loss of property and life resulting from differential movement along such traces caused by tectonic forces.

As the town reaches buildout, the development potential is increasingly affected by geologic regulations. Most of the remaining vacant land is in steep and often hazardous terrain. The Upper and Lower Western Hillside, which contain most of the undeveloped land in the town, are very steep: approximately 70% of the land has slopes greater than 30% and 25% has slopes greater than 50%. Slope density provisions encourage concentration of development on flatter portions of the large holdings in these areas. These provisions lead to safer, more easily accessible, and more efficiently served development than might occur otherwise.

The potential for developing is also constrained by wildfire hazards. Many areas of high and extreme wildfire hazard exist within the Portola Valley community. The highest-hazard areas are generally on steeper slopes of canyons or gullies, in difficult-to-access places where vegetation management is very difficult to accomplish. Hazards are amplified in east-west oriented canyon areas where the topography will funnel strong autumn winds, which tend to blow from the east or west.¹ The Safety Element Update includes policies and programs related to vegetation management, emergency access, water availability/suppression, and new building standards to help reduce the risk of wildfires for existing and future development.

The town also has an important and growing role in providing open space for the entire region. The Midpeninsula Regional Open Space District now owns over 1,000 acres of public open space within the town limits. The district lands are available for hiking and other low-intensity recreation uses and attract people in large numbers from all over the region. An extensive trail system throughout town is used by residents and visitors. In addition, the preserved land provides a significant conservation benefit to the region by providing habitat and protecting water and air quality. The low-density housing pattern and the clustering of development in the town serves to protect this important regional resource.

In addition to the natural and environmental constraints discussed above, options for housing have been limited by the town's historic lack of multi-family zoning that could have allowed

¹ Deer Creek Resources, 2022. Portola Valley Wildfire Hazards Memo.

more variety in housing types in areas appropriate for development. Community opposition has been a significant obstacle to obtaining approvals for new housing developments. Most notably, plans for multi-family and low-income housing have drawn the most public opposition because they are perceived to take away from the existing rural character, increase traffic congestion, and put further strain on limited infrastructure capacity. In recent years, fire safety has also become a significant concern. Land prices in Portola Valley, which are among the highest in San Mateo County, are an additional constraint to housing. To mitigate these constraints, the Town has designed a variety of housing programs, including establishing a multi-family zone, which are consistent with the town's character, but allow for a greater variety of housing opportunities. Those programs can be found in *Section 7, Goals, Policies, and Programs*.

Land Use Controls

General Plan Land Use Element

The Town's Land Use Element of the General Plan sets forth guidelines for land occupancy and describes the location and distribution aspects of land uses. The Land Use categories and corresponding zoning districts that allow residential development are listed in Table 4-1. The Land Use Element will be updated with adoption of this Housing Element to be consistent with the classifications and density in the Housing Element.

TABLE 4-1: GENERAL PLAN RESIDENTIAL LAND USE DESIGNATIONS AND ZONING DISTRICTS

Residential Designation	Acres/Housing Unit (HU)
Low-Medium Intensity	Less than 1 acre/HU
Low Intensity	1-2 acres/HU
Conservation-Residential	2-4 acres/HU
Open Residential	More than 4 acres/HU

Note: Where geologic conditions limit development, these densities will be less.

Source: Portola Valley General Plan, Portola Valley Code of Ordinances.

Zoning Code

The policies set forth in the General Plan are implemented largely through the Town's zoning ordinance. There are three residential zoning districts in town: Residential Estate (R-E), Single-Family Residential (R-1), and Mountainous Residential (M-R). Mobile and manufactured housing is considered single-family housing and is permitted accordingly. Table 4-2 below summarizes the uses permitted in each of these districts. Sections 18.12, 18.14, and 18.16 of the Town's zoning ordinance contain the full text and detailed information concerning these regulations.

Because, historically, multi-family housing was not generally permitted in the town, Portola Valley has developed two mechanisms to allow multi-family housing on certain sites. To that end, the municipal code allows multi-family affordable housing to be constructed with a Planned Unit Development (PUD) permit on properties designated in the General Plan for such

uses (Section 18.44.060.I). Secondly, the Affiliated Housing Program allows multi-family housing on institutional sites for employees and staff affiliated with the institutions that own the parcels. The program is being expanded with the Housing Element update and the requirement that housing units be occupied exclusively by employees of the institution is being removed. A detailed description can be found in *Section 7, Goals, Policies, and Programs*. In addition, in conjunction with the update, two new multi-family districts are proposed to be created. These are the first multi-family zoning districts in the Town's history.

The Town amended its zoning ordinance in 2011 to comply with Senate Bill (SB) 2 and make provisions for emergency homeless shelters in town. As a result, emergency homeless shelters for up to ten individuals are now permitted as an accessory use at all religious institutions in the town. Architectural and site plan review are required for the design of the emergency shelter unless the shelter is located within an existing structure, but no discretionary approval shall be required. Emergency shelters must comply with the following standards:

1. Temporary shelter shall be available to residents for no more than 60 days. Extensions up to a total stay of 180 days may be permissible if no alternative housing is available.
2. On-site management shall be provided during the hours of shelter operation.
3. Emergency shelters may include common space for the exclusive use of the guests, and office and meeting space for the exclusive use of emergency shelter staff.
4. Each shelter shall have a designated outdoor smoking area that is not visible from the street or from adjacent properties. The outdoor smoking area may be screened by vegetation.
5. On-site parking may be provided as shared parking with the church use. If separate on-site parking is needed, the maximum amount required shall be 0.35 parking spaces per one bed plus one space per staff member on duty when guests are present.

Table 4-2 depicts the uses currently allowed in the various residential districts in town. The table identifies uses permitted by right, those subject to a conditional use permit and allowed as an accessory use. As previously discussed, multi-family projects are not currently allowed in any residential zoning district which has served as a constraint to housing development, particularly affordable housing.

The Town's site development criteria are set forth in the Town's zoning ordinance, site development ordinance, and design guidelines. In the zoning ordinance, many of the criteria are established within combining districts. These include a Design Review (D-R), a Floodplain (F-P), a Historic Resources (H-R), and a Slope Density (S-D) combining district, as well as a number of residential density combining districts. The requirements established by each of these combining districts are explained below.

TABLE 4-2: PORTOLA VALLEY USES IN RESIDENTIAL ZONING DISTRICTS

Use	R-E	R-1	M-R
Streets, utilities, etc.	P	P	P
Single-family dwellings, including residential care facilities with 6 or fewer residents	P	P	P
Temporary voting places, festivals, signs, etc.	P	P	P
Public buildings located in conformance with the general plan	P		
Public school located in conformance with the general plan	P	P	
Major utilities, signs, wireless communications facilities	C	C	C
Crop and tree farming and truck gardening	C		C
Nurseries and greenhouses, with no retail sales allowed	C		C
Churches, schools, group living accommodations for seniors, and nursery schools: only when located on an arterial or expressway	C		
Recreation facilities and boarding stables: only when located on an arterial or expressway	C		C
Residential planned unit developments	C	C	C
Multiple single-family homes on parcels of 10 or 100 acres or more	C		C
Horticulture and grazing of cattle	C		C
Wineries	C		C
Publicly owned recreation and open space areas located in conformance with the general plan	C	C	C
Employee housing for qualified agricultural uses, as permitted under the California Employee Housing Act (Health and Safety Code Section 17000 et seq.)	C		
Landscaping, growing of plants and similar uses attendant to adjoining uses in the CC district		C	
Fences, lights, parking, signs, etc.	A	A	A
Second units on parcels 1 acre or more	A	A	A
Equestrian facilities	A	A	A
Renting of rooms to no more than one paying guest	A	A	A
Home occupations	A	A	A
Swimming pools, tennis courts	A	A	
Garages, signs, pets	A	A	A
Sale of agricultural products grown on the premises	A	A	A

Notes: P = Permitted, C = Conditional, A = Accessory

Source: Portola Valley Code of Ordinances.

Design Review (D-R) Combining District

This district does three things: 1) requires all building permits to be approved by the Architectural and Site Control Commission (ASCC); 2) prohibits certain uses within 100 feet of Skyline Boulevard to protect the scenic nature of that corridor; and 3) requires all subdivisions of parcels 10 acres or larger to be treated as a planned unit development.

It is recognized that most undeveloped parcels in the D-R combining district have significant characteristics such as steep slopes, unstable land, limited access, limited or absent infrastructure, and vegetation important for ecologic purposes, and that flexibility in normal standards afforded by the planned unit development procedure will help achieve subdivisions carefully adjusted to specific site conditions to protect health, safety, and ecological objectives. In addition, this requirement provides for design review and for imposing specific requirements on developments to help ensure that design objectives related to vegetation management, native planting, water conservation, limited lighting, and wildlife movement are implemented.

Design Review requirements have not been a significant constraint on the provision of housing, including affordable housing, in Portola Valley in recent years. In 2020, the Priory School started construction on six new housing units for employees and staff affiliated with this institution; two of those units are deed restricted for lower income households. The Town is developing objective standards to further reduce the potential for design review to constrain housing development. Requirements of this combining district do not preclude the provision of affordable housing.

Floodplain (F-P) Combining District

This district establishes conditions for development in floodplain areas, including requiring residential structures to be elevated above the base flood level and requiring new construction to be anchored to withstand flooding. Such conditions are standard and required by the federal government in communities that participate in the National Flood Insurance Program.

This district includes all land within the floodplain as shown on the federal Flood Insurance Rate Maps. This land is generally that which borders the major streams in town: Los Trancos Creek, Corte Madera Creek, and Sausal Creek.

The F-P combining district is not a constraint on the provision of market rate and below market rate housing in Town. The areas which fall under this district are generally expected to develop with market rate housing, which can usually accommodate these requirements within the normal price range for market rate housing in Portola Valley. The only sites for below market rate housing that are covered by this district are potential sites for accessory dwelling units (ADUs).

Historic Resources (H-R) Combining District

This district requires all properties that contain historic resources to conform to the principles and standards of the historic element of the general plan. There are 41 historic resources in

town as identified in the General Plan. These resources are scattered throughout the town, as shown on the historic element diagram. There is a list of buildings/structures to be preserved but they do not significantly limit the potential for development in town because the majority of the historic elements are on large sites or locations where new residential development is unlikely.

Given the nature of the historic resources in the town, the H-R combining district does not constrain the provision of housing in Portola Valley, including affordable housing. The principles and standards of the historic element simply prevent the removal of resources that are designated “to be preserved.” No maintenance or restoration is necessary, although if it does occur, certain guidelines must be followed. Therefore, this district may affect the design of a development but does not necessarily increase the cost of a development.

Residential Density Combining Districts

The residential density combining districts determine the development standards that apply to a given lot. These standards include required front, rear, and side yards; height limits; floor area limits; and impervious surface limits. There are nine combining districts:

- 7.5M: 7,500 square feet
- 15M: 15,000 square feet
- 20M: 20,000 square feet
- 1A: 1 acre
- 2A: 2 acres
- 2.5A: 2.5 acres
- 3.5A: 3.5 acres
- 5A: 5 acres
- 7.5A: 7.5 acres

The exact locations of these combining districts are shown on the Town’s zoning map. In general, the smaller-lot districts are found in the more densely developed, older subdivision areas of town while the larger-lot districts are found in the less densely developed, newer areas. This makes sense given the fact that only since town incorporation has there been a more complete understanding of the complex geological conditions and steep slopes that affect the remaining undeveloped lands in town.

The Upper Western Hillside is the only part of town in the 7.5-acre combining district. There are no lands in the 5-acre combining district, but the Lower Western Hillside, Blue Oaks, the Woods property, and the Stanford Wedge are in the 3.5-acre combining district. Westridge is generally in the 2.5-acre combining district. The other, smaller-lot districts cover the remainder of the town. The 7.5M zoning district is included in the Code but not applied to any sites on the zoning map.

The development standards governed by these combining districts are summarized in Table 4-3 below.

TABLE 4-3: RESIDENTIAL DENSITY COMBINING DISTRICT DEVELOPMENT STANDARDS

District	Minimum Lot Area (sf)	Front Yard	Rear Yard	Side Yard	Height Limit ^a	Maximum Height ^b	Maximum Floor Area ^c	Maximum Impervious Surface ^c
7.5M		20	20	5	15-28	34	3,019	2,231
15M	15,000	20	20	10	15-28	34	3,623	3,877
20M	20,000	20	20	10	15-28	34	3,910	5,090
1A	43,560	50	20	20	28	34	5,260	7,808
2A	87,120	50	20	20	28	34	7,013	11,358
2.5A	108,900	50	20	20	28	34	7,514	13,177
3.5A	152,460	50	25	25	28	34	8,065	15,566
5A	217,800	50	25	25	28	34	8,766	17,370
7.5A	326,700	50	25	25	28	34	9,581	19,822

^a The height limit restricts the height as measured parallel to the ground surface.

^b The maximum height restricts the height as measured from the lowest point of contact between the building and the ground to the highest point of the building.

^c The maximum floor area and maximum impervious surface are based on the total net lot area after geology, flood hazard areas, and steep slopes are taken into consideration. The numbers shown in the table indicate the maximum for a lot with the given lot area and no environmental constraints.

Source: Portola Valley Code of Ordinances.

The development standards were established to reflect the town's rural, single-family residential character. Over the years, the regulations have become important to support geologic and fire safety and for environmental protection. The maximum floor area requirements and setbacks for single-family homes are intentionally limited compared to some other affluent communities in the Bay Area to limit the impact of the development on the natural environment. The regulations on single-family homes are not considered a constraint to development, as existing single-family homes have been consistently developed over the town's history.

The minimum lot area requirements function as a constraint on the provision of housing by keeping the density of development low. Many of the programs set forth in this Housing Element are intended to address this constraint while preserving the character of the town. For example, the Affiliated Housing Program allows higher density residential development on institutional sites. The ADU/JADU programs also increase density by allowing additional housing units to be built throughout the community. Portola Valley has long had a progressive ADU program, permitting multiple ADUs on larger parcels. In addition, as part of this update, the Town is creating two multi-family districts and a mixed-use district to allow for mixed-use residential development.

Slope Density (S-D) Combining Districts

Most of the residential land in town is under an S-D combining district as well. These districts modify the minimum lot size to require larger minimum lots in areas with steep slopes. As shown in Table 4-4 below, there are six slope-density combining districts. The table also provides selected examples of the required minimum parcel areas at given slopes under each of the S-D districts.

TABLE 4-4: SLOPES AND MINIMUM PARCEL AREAS IN S-D COMBINING DISTRICTS

Slope	Required Minimum Parcel Area in Acres					
	SD-1	SD-1a	SD-2	SD-2a	SD-2.5	SD-3
1% and under	1.02	-	2.03	-	-	3.05
15% and under	1.36	1.00	2.60	2.00	2.50	3.99
25%	1.79	1.34	3.25	2.56	3.14	5.12
40%	3.42	2.72	5.21	4.44	5.10	8.85
50% and over	8.70	8.73	8.70	8.70	8.73	17.24

Source: Portola Valley Code of Ordinances.

In general, the flatter parts of Portola Valley fall into the SD-1 and SD-1a districts, with the remaining districts used in steeper areas. The only part of town in the SD-3 district is the Upper Western Hillside (primarily open space), and the only area in the SD-2.5 district is Westridge. Areas in the SD-2 district include the Lower Western Hillside, Blue Oaks, the Stanford Wedge, and the Woods property.

As with the residential density combining districts, the S-D districts do constrain the provision of housing by restricting the density of development. This restriction is necessary, however, given the hazards of developing steep slopes. Some of the Town's existing housing programs work to mitigate this constraint while still providing adequate protection. For example, the Affiliated Housing Program allows for increased density in specified areas. In addition, the ADU program allows a second unit on an existing or proposed primary residence and allows two ADUs on lots 3.5 acres or more, thereby increasing potential residential density. In addition, as part of this update, the Town will be creating two multi-family districts and a mixed-use district.

Creek Setbacks

Since 2007, the Town has enforced setbacks along Los Trancos Creek, Corte Madera Creek and Sausal Creek to protect the unique scenic qualities and habitat values of the creek environment that sustain wildlife by furnishing habitation, freshwater, and migration corridors. The measures are intended to help ensure that, over time, changes within creek setbacks will help restore the creeks and creeksides to a healthy natural environment. For building permits and site development permits, setbacks may be measured from either the top of creek bank or ordinary high water mark at the option of the property owner:

1. Parcels less than 1 acre in size—30 feet from top of bank, or 35 feet from ordinary high water mark.

6. Parcels of 1 acre to 2.5 acres—45 feet from top of bank or 50 feet from ordinary high water mark.
7. Parcels of 2.5 acres or more—55 feet from top of bank or 60 feet from ordinary high water mark.

For planned unit developments, setbacks may be modified by the Planning Commission. For new subdivisions, parcels shall have a minimum creek setback of 55 feet from the top of creek bank, but this setback may be required to be enlarged as part of the subdivision process to increase safety as well as protect the natural environment. Sensitive habitats, floodplains, and eroding creek banks should be included within the setback area. Persons proposing development along creeks should consult Section 18.32 of the Town's Code of Ordinances, F-P (Floodplain) Combining District Regulations, as these provisions affect development in the floodplains along creeks.

Open Space and Landscaping Requirements

The Town's development standards specify front, side, and rear yard requirements for residential parcels. These requirements vary depending on the district, with smaller yard requirements for smaller lots. The requirements can be altered based on certain scenarios, such as if a property is located in a special setback district or if a property is adjacent to a future right-of-way. These open space requirements are applied consistently to all residential development based on the district they are located in and are not considered by the community to be necessary for wildfire resilience, environmental protection, and wildlife corridors. The required yards are not excessive and are not a constraint to housing development.

The Portola Valley zoning ordinance sets forth minimal landscaping requirements for residential parcels. For example, the regulations specify that parcels adjacent to the Community Commercial and Administrative-Professional districts are required to have consistent landscaping with the adjacent non-residential property. There are few parcels in Portola Valley with residences adjacent to these districts. The landscaping regulations also stipulate that for parcels with frontages along Alpine Road and Portola Road, trees and shrubs must be approved by the Town's conservation committee within 75 feet of the road right-of-way. These two provisions are not constraints to the development of housing because they do not require significant costs or alterations for new housing developments.

The Town's zoning ordinance contains minimal regulation for residential landscaping, but the Town's Design Guidelines provide more comprehensive landscaping policies, including a Native Plant List and Landscaping Guidelines. The Guidelines state that "The fundamental approach of the ASCC is to encourage architectural solutions that blend with the natural conditions of the site and area, and at the same time require only minimum landscaping." Typical guidelines include: "Use native plants," "Create a simple rather than elaborate landscape solution," and "Consider the future height of trees and shrubs such that major views on- and off-site will not become obstructed." ASCC consideration of applications is limited to the issues set forth in the guidelines. The Landscaping Guidelines promote native planting, minimal water use, and wildfire resilience and are not a constraint to housing development.

Parking Requirements

The Town's zoning ordinance includes off-street parking provisions. The minimum number of off-street residential spaces for dwelling units is: one space for each dwelling having zero or one bedroom, and two spaces for each dwelling with two or more bedrooms. In residential districts with a minimum lot size of 1 acre or more, two additional guest parking spaces are required. In addition, convalescent homes must have one space for each five beds and retirement homes must have one space for each apartment, double room, or family unit. Junior ADUs (JADUs) and internal ADUs shall not require any dedicated parking spaces, but external ADUs require one dedicated covered or uncovered parking space.

Most residential parking spaces must be located in a carport or garage and all spaces have to be located on the same site as the building unless authorized by a conditional use permit. Uncovered or tandem parking spaces may be permitted with approval from the Architectural and Site Control Commission (ASCC) if there is no reasonable location for a second required covered parking space in larger parcel districts. Additionally, on parcels of 20,000 square feet or less, an uncovered parking space may occupy required yard areas with approval from the ASCC and after notification of the affected neighbors.

The Town requires up to four parking spaces at residences in districts requiring 1 acre or more but allows exceptions if the requirements cannot be met on the parcels. In smaller parcel districts, only 1 to 2 spaces are required based on the number of bedrooms in the dwelling unit, and the location of the parking space can be changed if needed. Overall, the off-street parking requirements for larger parcels do not constrain the development of housing given the ample amount of space typically available on those properties. Additionally, the alternative provisions enable smaller parcels with space constraints to meet reduced requirements. New parking standards will be established for the new mixed-use and multi-family zoning districts.

Zoning for a Variety of Housing Types

Historically, the town has been zoned primarily for single-family residential use, with limited options for a variety of housing types. However, provisions of Portola Valley's Zoning Ordinance do include various regulations intended to implement relevant State Housing Laws and facilitate development of affordable housing and diverse housing types. This includes the following measures which are described in more detail within *Section 5, Resources*:

- Chapter 18.17 of the Town's Code of Ordinances implements Government Code Section 65915, referred to as the State Density Bonus Law which provides for a by-right density bonus for residential developments that provide a percentage of below-market rate housing units.
- Pursuant to SB 35 the Town provides a streamlined ministerial review of housing developments which propose at least 50% affordability among their provided residential units.
- Chapter 18.36 of the Town's Code of Ordinances implements the various state laws related to the development of Accessory Dwelling Units (ADUs). This Chapter

implements the streamlined, ministerial review procedure for ADUs and outlines objective design standards and reduced parking standards applicable to ADUs.

- Pursuant to SB 2 the Town permits transitional and supportive housing developments by-right in all zoning districts that permit residential uses by-right. The Town is in the process of updating its Municipal Code to update the definition of transitional housing to comply with the State definition and to remove the six-resident cap currently specified in the Code. The Town currently does not have a multi-family zoning district, but when adopted in connection with this Housing Element update, transitional housing will be treated similarly to other residential uses (see *Section 7, Goals, Policies, and Programs*).
- Pursuant to SB 2 the city permits emergency shelters by-right on sites in the R-E Residential Estate zoning district containing a religious institution. Operational standards for emergency shelters developed are included within Chapter 18.12 of the Town's Code of Ordinances.
- The Town does not have a zoning code definition for Single Room Occupancy (SRO) Units but the Town has no short-term rental restrictions in any of its residential zones, except as required by State ADU law.
- Pursuant to State and Federal laws, the Town has adopted Reasonable Accommodation Measures within Chapter 18.11 of the Town's Code of Ordinances to help in eliminating any potential regulatory constraints to the development of housing to serve persons with disabilities. These measures provide for reasonable flexibility in land-use/zoning, building regulations, policies, and practices as necessary to provide for the development of housing options suitable for disabled persons. The Town recently approved a supportive housing project for developmentally delayed adults.
- Portola Valley defines household as "...one or more people living together as the functional equivalent of a family where the residents share a single kitchen and form a single housekeeping unit by sharing living expenses, chores and/or meals, and are a close group with social and economic commitments to each other." Consistent with State law, this definition does not result in discrimination against unrelated persons living together.

Accessory Dwelling Unit (ADU) Provisions

Portola Valley revised its zoning ordinance provisions for second units in 2021 to comply with California law. A "second unit" which is now referred to as an "accessory dwelling unit" in state law and the Municipal Code means an attached or detached residential dwelling unit located on the same parcel as a main dwelling unit and which provides complete independent living facilities, including those for living, sleeping, eating, cooking and sanitation, for one household. ADUs and Junior ADUs (JADUs) are permitted on all parcels in all zoning districts to help achieve the Town's goals which include but are not limited to:

- Create new housing units while respecting the existing character of the town;

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- Provide housing that responds to residents' changing needs, household sizes, and increasing housing costs, and provide accessible housing for seniors and persons with disabilities;
- Offer environmentally friendly housing choices with less average space per person and smaller associated carbon footprints; and
- Promote provision of affordable housing for people who work in town.

The Town's ADU ordinance allows one ADU and one JADU on all parcels smaller than 3.5 acres in all zoning districts, except on parcels that are subject to the fire safety exception for parcels that are smaller than 1 acre whose direct vehicular access is from a road or cul-de-sac which 1) has a single point of ingress/egress, and 2) has a width of less than 18 feet. This provision limits new ADUs in these areas due to concern related to access by emergency personnel and evacuation. Parcels with 3.5 or more acres are allowed to have two ADUs. All existing development restrictions in the base zoning district apply, including adjusted maximum floor area, impervious surface, height, setbacks, parking, site development, and outdoor lighting requirements, except as preempted by State law.

Ministerial review of ADUs and JADUs requires no public hearings, consistent with State law. An ADU or JADU application which qualifies for ministerial review is acted upon within 60 days of the date the Town receives a completed application. An ADU or JADU application made pursuant to an application for a main building may be delayed until a decision is made on the permit application to create the new main building.

Overall, the zoning ordinance provisions for ADUs comply with State law because standards are clearly set forth and are permitted as of right and can be administered ministerially as long as they do not exceed certain criteria. The Town continues to work to encourage production of ADUs, and this Housing Element includes additional actions to that end, as described in *Section 7, Goals, Policies, and Programs*.

On- and Off-Site Improvements

The subdivision ordinance includes standards for on-site and off-site improvements including roads, trails, paths, bike lanes, utilities, drainage facilities, street trees, and conservation easements. These standards allow development that is consistent with the natural environment of the town. Utility requirements, i.e., water, sewer, and electricity are typical for residential subdivisions. Street plantings are rarely required because the existing vegetation normally provides a natural setting. Conservation easements are occasionally required when appropriate to help preserve natural areas. Minimal contributions of land or fees are required to help preserve open space. Developers have found the requirements reasonable and that they enhance the quality of their projects.

In some parts of town, however, connections to required utilities and roads cannot be made. For instance, in most of the western hillsides, public roads and utilities are not available. As noted elsewhere in this Housing Element, the western hillsides are hazardous and comprise steep hillsides and canyons as well as large areas of landslides. Since these areas are not suitable for development, the lack of infrastructure does not pose a problem.

Road Requirements

The paved surfaces of roads have been set wide enough to allow for traffic but also as narrow as safety permits. Paving widths vary from 20 feet to 28 feet depending on the type of road. Since most properties include space for off-street parking, the roads are generally not designed for on-street parking. Right-of-way widths vary from 60 to 100 feet. In PUDs paving and rights-of-way can be varied to fit the design of the development.

Trails, Paths, and Bicycle Lanes

Portola Valley residents value the ability to ride horses, hike, and bicycle throughout the community. Accordingly, where these planned facilities pass through a proposed subdivision, the developer will be required to provide the facility and dedicate an easement that is normally 15 feet wide, or up to 30 feet in areas of particularly difficult terrain.

Utilities

California Water Service Company provides water throughout the town. The company has indicated it has sufficient capacity to meet the housing needs stipulated in this housing element. Gas and electrical utilities are normally readily available. Where required for public utility purposes, utility easements not less than 10 feet in width shall be provided within the subdivision.

Drainage

Given the low density of development in the town and extensive natural areas, most drainage is surface drainage that eventually flows into one of the three major creeks in the town. By and large, the only culverts are where drainage passes under roads. Drainage improvements, therefore, are a minimal requirement on developments. In some instances, a developer will be required to pay a fee to help offset downstream impacts from a development.

Conservation Easements

The Town may require conservation easements to protect natural vegetation, terrain, watercourses, waters, wildlife and for preventing or limiting erosion and drainage problems. Normally, these easements are on lands that are not suited for development and therefore do not interfere with well-planned developments.

Dedication and Land for Park or Recreational Purposes

In subdivisions of more than 50 lots, the subdivider must dedicate 0.005 acres of land for each anticipated resident of a subdivision. For subdivisions less than 50 acres, the subdivider must pay a fee based on the above requirement. In the town, no subdivisions of 50 lots or more are anticipated, so only small in-lieu payments can be expected.

Impact of Improvement Requirements on Cost and Supply of Housing

Fundamentally, the cost of land in Portola Valley is high. Subdivisions consequently are aimed at rather expensive housing. Given this context, the cost of improvements is a small portion

of the total cost of housing. There have been no instances in recent history where the applicant has appealed or otherwise challenged any of the requested dedications.

Inclusionary Housing Requirement

All new single-family homes in Portola Valley are custom built, and as a result, inclusionary housing is implemented differently in town than in other jurisdictions. Since 1991, Portola Valley has required all subdividers in town to provide 15% of their lots (for subdivisions with seven or more lots) or an in-lieu fee (for smaller subdivisions and fractional lots) to the Town for affordable housing. The original intention was for the Town to receive the land and arrange for the construction of the below market rate units. However, this approach was not practical because the Town could not secure an affordable housing developer to build such a small project. As a result, the Town has collected the in-lieu funds and is developing appropriate financial assistance programs with the Housing Element update process.

Some analysts believe that inclusionary housing requirements can sometimes act as a constraint on housing by either substantially raising the price of market rate housing or making housing too expensive to build. One subdivision with multiple units has been developed under this requirement and smaller lot splits have also been approved indicating that development can occur under this requirement. In addition, the Town's inclusionary housing program provides developers with a 10% density bonus to offset the costs of providing the land.

Because land prices in Portola Valley are high, development of affordable housing is very difficult without the inclusionary ordinance provisions or other direct intervention. Market rate housing in Portola Valley is only affordable to households with incomes well above the moderate range. Given the high cost of market rate housing in town, the effects of the inclusionary housing provisions on affordability are not a significant constraint to development.

Summary of Analysis of Land Use Controls

Portola Valley's land use controls were developed to fit the town's situation on the edge of the urban San Francisco Peninsula area, with complex and unstable geology, steep terrain, significant wildfire concerns, and the San Andreas Fault bisecting the town. Within this context, the controls the Town has adopted allow for flexibility to fit development to the land. For instance, development intensity is conditioned by steepness of slope, unstable geology, areas subject to flooding and remoteness from major roads. The development approval process results in development that is appropriate to the environment. The Town allows and encourages cluster development and planned developments whereby designs address site specific concerns and sustainability goals.

These natural constraints, including a location well removed from public transportation and significant employment centers, have led to low density development. The low densities permitted are appropriate for the environment and location, and to ensure the safety of residents.

Despite these constraints, the Town recognizes that a range of housing types can be appropriate in certain locations. Therefore, the Town allows multi-family housing in specified locations as set forth in the Affiliated Housing Program of this Housing Element. In addition, as part of this update, the Town is creating two multi-family districts and a mixed-use district.

Building Code

The Town of Portola has adopted the 2019 California Building Code, which establishes construction standards for all residential buildings developed within the State. The Town amends the Code as needed to further define requirements based on the unique local conditions of the town. The Code is designed to protect the public health, safety, and welfare of Portola Valley's residents.

Local Permit and Processing Procedures

The Town's processing and permit procedures protect the community interest while permitting safe and responsible new construction, additions, and remodeling on private property. A key aspect is the requirement for geologic investigations to ensure safe development in areas of the town mapped as potentially hazardous.

Subdividing

The Town's subdivision regulations reflect the complicated and unique features of the land such as soils, land movement potential and drainage capacity. A subdivision proposal includes the following steps:

1. Review of a preliminary map by Town staff and professional consultants;
2. Review and approval of the tentative map by the planning commission; and
3. Review and approval of the final map by the Town Council.

It is difficult to estimate the time needed for review and approval of a subdivision applications because they are uncommon and the factors that impact timing are unique for each proposal. Historically, subdivisions have only occurred for single-family detached homes on individual lots. The last significant subdivision was for the Blue Oaks development, a 30-lot hillside subdivision that was approved in the 1990s. There have been a few smaller subdivisions in recent years that took about two years to process because of ownership issues or unique physical characteristics of the site. Staff estimates that a small subdivision with limited environmental review would take approximately one year and a larger subdivision with a full environmental impact report would take approximately two or two and half years.

Lot by Lot Construction

Most residential development occurs on a lot-by-lot basis. As there are few vacant lots in town, most of the development is in the form of an addition/remodel or demolition of an existing house and construction of a new house in its place. More recently, most new home applications also now include an ADU. The process for residential development includes:

1. Preliminary design review at the staff level.
2. Architectural review by the Architectural and Site Control Commission (ASCC). Some projects are also subject to homeowners' association architectural review. These reviews are usually concurrent with ASCC review.
3. Review by the Planning Commission (only for proposals with grading exceeding 1,000 cubic yards).
4. Building permit review and approval.

The review process typically, including the first four steps listed above, takes from four months to one year. Another 8 to 12 weeks are then usually needed to process a building permit application. Prior to approving a building permit, Town staff and consultants review the plans, as well as outside agencies.

The Town's processing and permit procedures may take longer than in typical Bay Area communities because of the complexity of the environment. Most projects require a geotechnical investigation and review by the Town Geologist. Additionally, the process of upgrading septic systems or connecting to sewer can add several months or longer for complex cases. Staff and consultants work closely with developers to explain the process, expectations, and requirements necessary for approval. This attention given early in the process avoids delays in the long run by ensuring that the most appropriate project for the site is presented for approval.

ASCC Review Process

All new residential structures must be reviewed and approved by the Architectural and Site Control Commission (ASCC), whose decisions may be appealed to the Planning Commission. The ASCC process begins with a preliminary meeting with staff to discuss the applicant's initial ideas and outline the Town standards, regulations and design guidelines that would apply. The applicant then has the opportunity to revise the design before formally submitting the application. Simple projects, such as an addition or modest new home, are usually decided at that meeting. Most projects are acted on in no more than two meetings, although occasionally a complex project may take additional time. As a result, ASCC review typically takes approximately three months from formal submittal. (The Town experienced a backlog of projects during the COVID-19 pandemic that increased processing times during this period.)

All staff reports for the ASCC follow a standard format and address the same topics, which are set forth in the zoning ordinance and the design guidelines. Both the zoning ordinance and the design guidelines are written documents which applicants can consider in putting together their applications. The Town uses a standard format for the ASCC staff reports to give consistency to the review process and ensure that each application is considered in the same way as all others.

While the criteria are the same for each project, the specific physical conditions on an individual parcel of land may be unique. Given the prevalence of slope, geology, drainage and other physical issues throughout Portola Valley, individual consideration of each project is

necessary. The ASCC provides this individual consideration along with consistent application of standards and guidelines.

The ASCC review process is reasonable, based on written standards and guidelines and uses a standard format to ensure consistency in its decisions. The cost, as discussed below in the subsection on fees, deposits and exactions, is similar to the cost in other, similar communities, and is a very small percentage of the cost of a project given the high costs of land and construction in the town. For all these reasons, ASCC review does not act as a significant constraint to the provision of housing in Portola Valley.

Site Development Permit

The Site Development Ordinance establishes the framework for the removal of vegetation, including significant trees, and excavation and fill (grading) on a site. Persons conducting those activities are required to apply for a site development permit. Depending on the amount of grading, the application is acted on by either the staff, the Architecture and Site Control Commission, or the Planning Commission. Applicants can appeal a decision to the Town Council in a public hearing. This process is necessary to protect both the environment and the applicants, especially in steep and unstable areas. The process is the same for all applicants and does not act as a constraint to the development of housing.

Conditional Use Permit and Planned Unit Development Permit Processes

Most residential development in town is not required to obtain either a conditional use permit (CUP) or a planned unit development permit (PUD). Subdividers who would like flexibility in the development standards may apply for a PUD, and most subdivisions in recent years have used PUDs. Since Portola Valley treats PUDs as a type of CUP, the process is similar for both. The ASCC first reviews the application as an advisory body, and then the application moves to the Planning Commission for a decision. Neither CUPs nor PUDs require action by the Town Council unless the Planning Commission action is appealed.

The Affiliated Housing Program does require CUPs for development, as the institutions where these units are located are generally regulated with a CUP. This process allows greater flexibility than the base zoning for these sites. For example, at the Woodside Priory School, seven multi-family units were approved and built as workforce housing. To build these units, the Priory needed to amend its conditional use permit, a process that took approximately four months. The Priory has also received approval for a master plan that includes 11 additional housing units, six of which have recently been approved.

The cost for the permits is a very small percentage of the cost for the project as a whole and is not significant given the high costs of land and construction in Portola Valley. For these reasons, the CUP/PUD requirements for multi-family housing do not appear to be acting as a constraint on the provision of housing in the town—in fact, these permits provide flexibility for multi-family housing possible in Portola Valley.

Length of Time between Application Approval and Building Permit Application

Housing Elements are now required to provide an evaluation of the length of time between receiving approval from the city/town and applying for a building permit. Once a project is approved by the Town, such as the Architectural and Site Control Commission or Planning Commission, it is the applicant's responsibility to submit an application for a building permit. The time it takes can vary and is largely determined by the applicant. Factors include the time it takes to prepare the construction drawings and any necessary technical studies, preparation and recording of subdivision maps (if necessary), retaining contractors, and securing financing. Table 4-5 provides some examples of recent projects and the time it took between application approval and building permits or master home models. The time varies from 31 days to 43 days.

TABLE 4-5 LENGTH OF TIME BETWEEN APPLICATION APPROVAL AND BUILDING PERMIT APPLICATION, EXAMPLES

Project	Length of Time
107 Degas – New House	38 Days: 6-14-21 to 7-23-21
35 Possum – New House	43 Days: 8-18-21 to 9-30-21
Priory – Multifamily 6 Units	31 Days: 9-9-19 to 10-10-19

Source: Portola Valley, Planning & Building Department.

Fees, Deposits, and Exactions

To assist jurisdictions in meeting requirements for analysis of fees and permit processing, 21 Elements released a survey to all jurisdictions in San Mateo County. The survey asked about potential government constraints to housing, including impact fees, entitlement fees, building permit fees, and permit processing times. In conjunction with that survey, 21 Elements hired Century Urban, a San Francisco based real-estate consulting firm, to examine the cost of land and labor for new housing development in the County. Combined, those two data sets provide a basis for a preliminary examination of constraints for jurisdictions in San Mateo County.

Participation in the 21 Elements government restraints survey was excellent, with 18 of 21 jurisdictions participating. While not all the respondents answered all the questions, the high overall participation results in a meaningful look at the landscape of government-imposed fees in San Mateo County. 21 Elements distributed the survey in November 2021 and accepted results through February 2022.

The survey asked jurisdictions to calculate fees for three hypothetical housing developments: a single-family house, a 10-unit apartment building, and a 100-unit apartment building.

Single-Family Home – Participants were asked to estimate fees for one of two, hypothetical single-family home developments:

- 2,600-square-foot house with 500-square-foot garage. The house is two stories tall with four bedrooms and two bathrooms. The house is constructed on an empty lot in an existing neighborhood and requires no significant grading or other complications.

- 5,000-square-foot house with 1,000-square-foot garage. House is two stories tall with four bedrooms and three bathrooms. The house is constructed on an empty lot in an existing neighborhood and requires no significant grading or other complications.

Three other Jurisdictions, including Atherton, Woodside, and Unincorporated San Mateo – chose to estimate fees for the larger house. All other respondents estimated fees for the smaller house. For purposes of comparison, all the data are presented in the same table, regardless of which size hypothetical house was chosen.

Small Multi-Family – Jurisdictions were asked to estimate the fees for a hypothetical development with 10 units with moderate complexity.

Large Multi-Family – Jurisdictions were asked to estimate fees for a 100-unit development.

The Portola Valley fees estimated for the prototypical single-family project are shown in Table 4-6. Town entitlement fees are likely higher than other communities due to the detailed engineering and geotechnical review that happens early in the process.

TABLE 4-6: FEES FOR A HYPOTHETICAL SINGLE-FAMILY HOME

Jurisdiction	Entitlement Fees	Building Permit Fees	Impacts Fees	Other Fees	Total
Atherton	1,520	13,363	0	1,058	15,941
Brisbane	0	4,300	10,608	10,032	24,940
Burlingame	3,645	49,500	16,280	0	69,425
Colma	0	6,760	0	0	6,760
Daly City	0	19,128	15,682	0	34,810
East Palo Alto	6,342	6,606	51,717	39,576	104,241
Foster City	3,000	64,886	9,854	0	77,740
Half Moon Bay	4,019	3,750	36,500	8,300	52,569
Hillsborough	7,951	48,891	11,904	14,250	82,996
Millbrae	7,397	--	83,213	0	90,610
Pacifica	11,000	10,803	11,922	0	33,725
Portola Valley	15,954	30,753	0	6,216	52,923
Redwood City	1,493	4,952	14,350	0	20,795
San Bruno	5,000	28,000	25,209	0	58,209
San Mateo	4,979	43,844	50,180	0	99,003
South San Francisco	1,490	476	54,944	0	56,910
Unincorporated San Mateo	420	28,013	7,996	0	36,429
Woodside	1,980	35,497	33,480	0	70,957

Source: 21 Elements, 2022.

The total fees per unit are compared to all San Mateo County jurisdictions below in Table 4-7.

TABLE 4-7: TOTAL FEES PER UNIT COMPARISON: SAN MATEO COUNTY JURISDICTIONS (INCLUDES ENTITLEMENT, BUILDING PERMITS, AND IMPACT FEES)

Jurisdiction	Single-Family	Small Multi-Unit	Large Multi-Unit
Atherton	\$15,941	No Data	No Data
Brisbane	\$24,940	\$11,678	No Data
Burlingame	\$69,425	\$30,345	\$23,229
Colma	\$6,760	\$167,210	\$16,795
Daly City	\$24,202	\$32,558	\$12,271
East Palo Alto	\$104,241	No Data	\$28,699
Foster City	\$67,886	\$47,179	\$11,288
Half Moon Bay	\$52,569	\$16,974	No Data
Hillsborough	\$71,092	No Data	No Data
Millbrae	\$97,756	\$6,824	\$55,186
Pacifica	\$33,725	\$40,151	No Data
Portola Valley	\$52,923	No Data	No Data
Redwood City	\$20,795	\$18,537	\$62,696
San Bruno	\$58,209	\$72,148	\$39,412
San Mateo	\$99,003	\$133,658	\$44,907
South San Francisco	\$81,366	\$76,156	\$32,471
Unincorporated San Mateo	\$36,429	\$27,978	\$10,012
Woodside	\$70,957	\$82,764	No Data

Source: 21 Elements, 2022.

Since Portola Valley does not currently have any multi-family projects that fit these scenarios, there was no data to include. However, the Town has processed one project that is similar; the permit fees per unit for the six-unit project at the Priory School was approximately \$12,000 per unit. This is well below the per-unit fees in other communities but did not require environmental review. As part of this update, the Town will be creating two multi-family districts.

Total fees as a percentage of total development costs can be found in Table 4-8. Portola Valley's fees are 1% of total development cost which is among the lowest of the County.

TABLE 4-8: TOTAL FEES AS A PERCENTAGE OF TOTAL DEVELOPMENT COSTS

Jurisdiction	Single-Family	Small Multi-Family	Large Multi-Family
Atherton	0%	No Data	No Data
Brisbane	1%	1%	No Data
Burlingame	3%	4%	3%
Colma	0%	17%	2%
Daly City	1%	4%	2%
East Palo Alto	4%	No Data	4%
Foster City	3%	6%	2%
Half Moon Bay	2%	2%	No Data
Hillsborough	3%	No Data	No Data
Millbrae	2%	8%	7%
Pacifica	1%	5%	No Data
Portola Valley	1%	No Data	No Data
Redwood City	1%	2%	8%
San Bruno	2%	8%	5%
San Mateo	4%	14%	6%
South San Francisco	3%	9%	4%
Unincorporated San Mateo	1%	3%	1%
Woodside	2%	9%	No Data

Note: The above table is calculated using average soft costs (including an average of jurisdiction charged fees) and average land costs for the county. A more precise determination of fees as a percentage of total development costs can be calculated using jurisdiction specific land costs and fees.

Source: 21 Elements.

Portola Valley's fees per unit, including the percentage of total development costs and a comparison to the median of fees are shown in Table 4-9.

TABLE 4-9: SUMMARY OF PORTOLA VALLEY FEES COMPARED TO MEDIAN

Project Type	Fees per Unit	Percentage of Total Development Cost	Median of Fees for 21 Jurisdictions
Single-Family	\$52,923	1%	\$55,566
Multi-Family in Small Project	No data	No data	\$36,355
Multi-Family in Large Project	No data	No data	\$28,699

Source: 21 Elements.

Development Impact Fees are one-time charges levied on new developments and serve as tools to mitigate the impacts of new development by funding a range of capital programs required to address needs related to that development, including transportation, parks, and utilities (such as water, sewer, and storm drain). Other than a park in lieu fee under the Quimby Act for subdivisions, the Town does not currently have any impact fees; however, projects that connect to the West Bay Sanitary District are charged fees and construction costs that are outside of the Town's control.

Infrastructure and Public Service Constraints

The infrastructure and level of public services in the Town is geared to a small, dispersed population. Many of the roads are narrow and winding with restricted capacity. SamTrans along Portola and Alpine Roads (Bus 85) provide limited bus service. Only a portion of the Town is served by sanitary sewers. On-site disposal systems are used in much of the Town, and in many areas, successful disposal requires large sites because of adverse soils and drainage conditions. Most local public services are provided by special districts or San Mateo County under contract. The Woodside Fire Protection District provides fire protection services. The County Sheriff provide police services. The Town has limited control over the quality and quantity of these services.

The Town government operates on a minimal budget with a small staff. The Town's ability to undertake major programs to provide housing is severely constrained by fiscal realities and limited staff time. As a result, housing programs with high administrative demands have not been practical for the Town and have been avoided.

To mitigate the constraints pertaining to public services, this Housing Element update provides for affordable housing on sites with current access to services or in locations where connections are feasible. In-lieu fees collected through the inclusionary housing program may also be used to help cover costs when no other source is available.

NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints are those that are generated by the economic and social environment which are beyond the control of local governments. Some of the impacts of non-governmental constraints can be offset to a minimal extent by local governmental actions, but usually the effects are localized and have little influence on the housing need in the jurisdiction or market area.

HOUSING DEVELOPMENT COSTS

As part of the 21 Elements collaboration, Century|Urban and Baird + Driskell performed research on the development costs of certain residential prototypes in San Mateo County as well as the unit mixes of residential projects delivered since 2013. The estimated prototype project costs described in this subsection reflect high-level averages and do not represent any specific project budget. Project costs vary by geography, topography, site conditions, finish level, entitlement and permit status, contractor type, and time among other factors. The data presents over 100 projects and over 13,000 units and as such is informative with respect to the types and sizes of units built during the period surveyed. Non-governmental constraints to affordable housing are traditionally considered to consist of three major factors: land costs, cost of construction, and availability of financing.

Price of Land

Land costs include acquisition and the cost of holding land throughout the development process. Due in part to the desirability of the region and because land is in short supply, land costs in San Mateo County are high. These costs can account for as much as half of the final sales prices of new homes in small developments or in areas where land is scarce. These costs vary both between and within jurisdictions based on factors like the desirability of the location and the permitted density with, multi-family and mixed-use land costing more.

The extremely high cost of land in Portola Valley is the most significant constraint on the development of affordable housing in the Town. For typical multi-family construction in San Mateo County, Century|Urban reports estimates of land costs at approximately \$100,000 per unit in San Mateo County but noted a range of land costs between \$40,000 to \$160,000 per unit.

To generate single-family land values, Century|Urban collected sales data for land lots totaling 1 acre or less which transacted over the past three years. Table 4-10 below represents the available single-family home lot sales data points collected, which demonstrates that land sites up to 1 acre can range from \$1,325,000 to \$3,000,000, a price that is probably too high to allow the development of affordable housing under market conditions. Further, most sites in Portola Valley are above 1 acre and have an even higher value than what is shown in Table 4-10. However, homes on smaller sites are typically in the older neighborhoods of Portola Valley with older or more modest homes.

The challenge from the Town's perspective is to provide affordable housing opportunities in the face of extreme market pressure, while at the same time preserving the characteristics that make Portola Valley a desirable place in which to live. The Town's housing programs attempt to mitigate the effects of these market conditions. To offset the high cost of land, the inclusionary housing program provides affordable housing, including land. The affiliated multi-family housing program allows increased density, reducing costs per unit. The ADU program provides the opportunity for construction of second units by the private market with essentially no land cost. As previously mentioned, as part of this update, the Town will also be creating a multi-family district and mixed-use district.

Cost of Construction

Construction costs, which can comprise a significant portion of the sales price of a home, are one of the major cost factors with residential development. Construction costs include both hard costs, such as labor and materials, and soft costs, such as architectural, geotechnical, and engineering services, development fees and insurance. As noted above, costs will vary by geography, topography, site conditions, finish level, entitlement and permit status, construction type, and time among other factors.

The cost of construction can also constrain housing production, particularly for affordable housing. Residential construction in Portola Valley is comparable to the neighboring communities of Woodside, Palo Alto, and Atherton.

TABLE 4-10: SAN MATEO COUNTY SINGLE-FAMILY LAND SITES UP TO 1 ACRE, 2018-2021

Jurisdiction	Available Data Points	Per Square Foot				Per Single-Family Home			
		Minimum	Maximum	Median	Average	Minimum	Maximum	Median	Average
Moss Beach	19	\$14	\$117	\$64	\$64	\$125,000	\$582,500	\$375,000	\$335,053
Woodside	4	\$10	\$88	\$24	\$36	\$150,000	\$2,000,000	\$377,250	\$726,125
South San Francisco	4	\$33	\$89	\$59	\$60	\$165,000	\$3,800,000	\$431,000	\$1,206,750
Montara	12	\$23	\$269	\$65	\$79	\$275,000	\$1,750,000	\$439,000	\$533,917
Half Moon Bay	33	\$1	\$324	\$75	\$91	\$5,000	\$2,300,000	\$447,000	\$514,455
Pacifica	6	\$14	\$105	\$70	\$63	\$300,000	\$925,000	\$447,000	\$500,000
Belmont	12	\$2	\$721	\$56	\$118	\$55,000	\$4,470,000	\$495,000	\$960,583
East Palo Alto	5	\$72	\$135	\$92	\$100	\$235,000	\$3,550,000	\$675,000	\$1,379,600
Redwood City	18	\$6	\$345	\$129	\$145	\$50,000	\$5,350,000	\$825,000	\$1,170,250
Emerald Hills	2	\$125	\$132	\$129	\$129	\$975,000	\$980,000	\$977,500	\$977,500
San Bruno	2	\$179	\$207	\$193	\$193	\$560,000	\$1,500,250	\$1,030,125	\$1,030,125
San Carlos	11	\$2	\$405	\$94	\$126	\$29,000	\$2,980,000	\$1,100,000	\$1,214,455
San Mateo	1	\$500	\$500	\$500	\$500	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Portola Valley	4	\$47	\$129	\$58	\$73	\$1,325,000	\$3,000,000	\$1,578,000	\$1,870,250
Burlingame	1	\$125	\$125	\$125	\$125	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Menlo Park	3	\$165	\$591	\$459	\$405	\$2,580,000	\$6,500,000	\$2,780,000	\$3,953,333
Millbrae	1	\$239	\$239	\$239	\$239	\$3,080,500	\$3,080,500	\$3,080,500	\$3,080,500
Hillsborough	3	\$85	\$306	\$116	\$169	\$3,050,000	\$8,000,000	\$4,000,000	\$5,016,667
Atherton	2	\$147	\$208	\$178	\$178	\$2,500,000	\$6,400,000	\$4,450,000	\$4,450,000
Total	143	\$1	\$721	\$84	\$110	\$5,000	\$8,000,000	\$510,000	\$1,026,691

Source: Century|Urban, 2022.

The costs average around \$350-\$450 per square foot. These high costs, however, are often a result of homeowners' choices to use unique designs and expensive materials.

The price paid for material and labor at any one time will reflect short-term considerations of supply and demand. Future costs are difficult to predict given the cyclical fluctuations in demand and supply that in large part are created by fluctuations in the state and national economies. Such policies unilaterally impact construction in a region and therefore do not deter housing construction in any specific community. According to data from the California Construction Cost Index, hard construction costs in California grew by 44% between 2014 and 2018, or an additional \$80 per square foot.² Between 2020 and 2021 alone, construction costs increased 13.4%. Construction costs are estimated to account for upwards of 60% of the production cost of a new home, especially for multi-unit residential buildings which often require the use of more expensive materials, like steel, and need additional amenities such as parking structures.³

For San Mateo County, construction costs for multi-unit buildings vary based on the form of parking (structure vs. surface) in addition to other environmental factors such as topography, pre-existing structures etc. For a small multi-family development with surface parking, Century|Urban estimates hard costs at \$521,500 per unit and soft costs at \$165,000 per unit for a total cost including land of \$786,500 per unit.

In terms of labor, the California Labor Code applies prevailing wage rates to public works projects exceeding \$1,000 in value. Public works projects include construction, alteration, installation, demolition, or repair work performed under contract and paid for in whole or in part out of public funds.

A factor contributing to the high construction costs on the Peninsula is the scarcity of construction labor. Contractors have difficulty attracting and retaining workers because most cannot afford to live in the area on construction labor wages. Many construction workers must commute long distances from their jobs to more affordable housing.

AVAILABILITY OF FINANCING

The availability of capital to finance new residential development is a significant factor that can impact both the cost and supply of housing. Two types of capital are involved in the housing market: 1) capital used by developers for initial site preparation and construction and 2) capital for financing the purchase of units by homeowners and investors. Interest rates substantially impact home construction, purchase, and improvement costs. Fluctuation in interest rates can have a significant impact on costs for construction or purchase, as well as impact whether a potential buyer can qualify for a loan. Following several years of historically low interest rates, the expectation is that interest rates are likely to rise in 2022 and beyond.⁴

² Hayley Raetz, Teddy Forscher, Elizabeth Kneebone and Carolina Reid. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California. The Turner Center for Housing Innovation, University of California Berkeley, March 2020, p. 8, http://turnercenter.berkeley.edu/uploads/Hard_Construction_Costs_March_2020.pdf.

³ Ibid, page 4.

⁴ Kiplinger. Interest Rates: The Fed Gets Aggressive, April 14, 2022, <https://www.kiplinger.com/economic-forecasts/interest-rates#:~:text=Expect%20the%20Treasury%2010%2Dyear,from%204.2%25%20to%204.7%25>.

Table 4-11 summarizes the total number of home loans applied for, approved (and originated), and denied within the San Jose-San Francisco-Oakland MSA. In 2020, a total of 97,147 applications for home loans were submitted within the MSA. Of these loan applications, over 66% were approved and originated while approximately 11% of applications were denied. This percentage of loan approvals and denials vary throughout the MSA by income group. As anticipated, there is a direct relationship between household incomes and home loan application approvals and denials. As depicted in Table 4-11 as household incomes rise, the percentage of home loans denied decreases and the percentage of loans approved increases. Similarly, as household income falls, the percentage of home loan applications denied increases and the percentage of loans approved decreases. This data suggests it is much more difficult for lower-income households in the MSA to obtain home loan financing than higher-income households. This difficulty has the potential to directly affect the production and rehabilitation of housing units serving lower-income households, throughout the MSA.

TABLE 4-11: DISPOSITION OF APPLICATIONS BY INCOME OF APPLICANT, 2020

Income Group	Total Loan Applications	Loans Originated	Applications Denied	Percentage Denied
<50% MFI	6,876	3,095	1,924	28%
50-79% MFI	12,351	7,792	1,793	14.5%
80-99% MFI	5,052	3,371	543	10.7%
100-119% MFI	15,158	10,462	1,502	9.9%
>120% MFI	57,710	39,177	5,059	8.8%
Total	97,147	63,897	10,821	11.1%

Note: MSA 41884 – San Jose-San Francisco-Oakland. MFI: Median Family Income
Source: Home Mortgage Disclosure Act (HMDA) Data, 2020.

Interest Rates

Interest rates can influence the borrowing activity of those seeking to purchase a home or existing homeowners looking to repair their residences. When interest rates are relatively low, loans are considered more advantageous to borrow than when interest rates are higher. Figure 4-1 below shows the average federal interest rate between February 2019 and January 2022. During this time, interest rates have been at historic lows and are not likely a significant constraint on constructing or purchasing housing. However, even with the lower interest rates, lower-income households still face significant obstacles to purchasing a home due to the high home prices in the Bay Area and difficulty meeting down payment requirements.

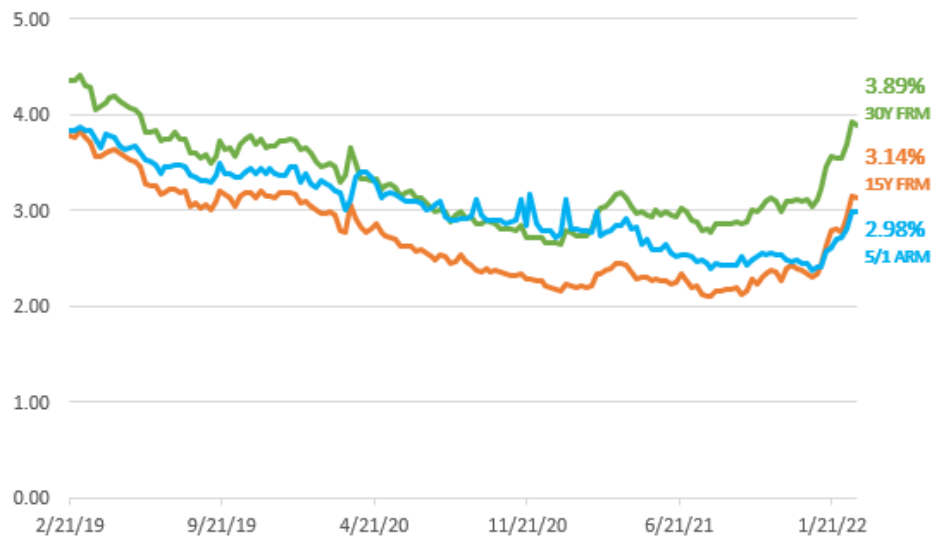


FIGURE 4-1: U.S. AVERAGE INTEREST RATES – FEBRUARY 2019 – JANUARY 2022

Source: Freddie Mac Primary Mortgage Market Survey.

Most homes in Portola Valley are custom-built homes funded by individual households. Financing for this type of construction is more difficult to obtain now that banks have increased their requirements. However, financing is no more of a constraint in Portola Valley than in other communities in the Bay Area. In fact, loans for individual homes may currently be easier to obtain than loans for speculative housing developments.

NON-GOVERNMENTAL CONSTRAINTS SPECIFIC TO PORTOLA VALLEY

NEIGHBORHOOD OPPOSITION

Opposition from neighbors can be a significant obstacle to obtaining approvals for new housing developments. Most notably, developments that are multi-family or low-income housing draw the most public opposition because they are perceived to take away from the existing rural character, increase traffic congestion, raise fire safety concerns, and put further strain on limited infrastructure capacity. Town officials and developers can work to assuage these concerns by implementing objective design standards for multi-family development that help preserve the town's rural environment and educating the public about the benefits of increasing affordable housing in the town to help reduce long commutes for workers. Undergoing a thorough public planning process to address and develop clear and explicit requirements can combat public opposition.

ENVIRONMENTAL CONSTRAINTS

The Town of Portola Valley has identified areas where land development should be carefully controlled to ensure public health and safety. The following hazards may impact future development of residential units in the town.

Geologic and Seismic and Flooding Hazards

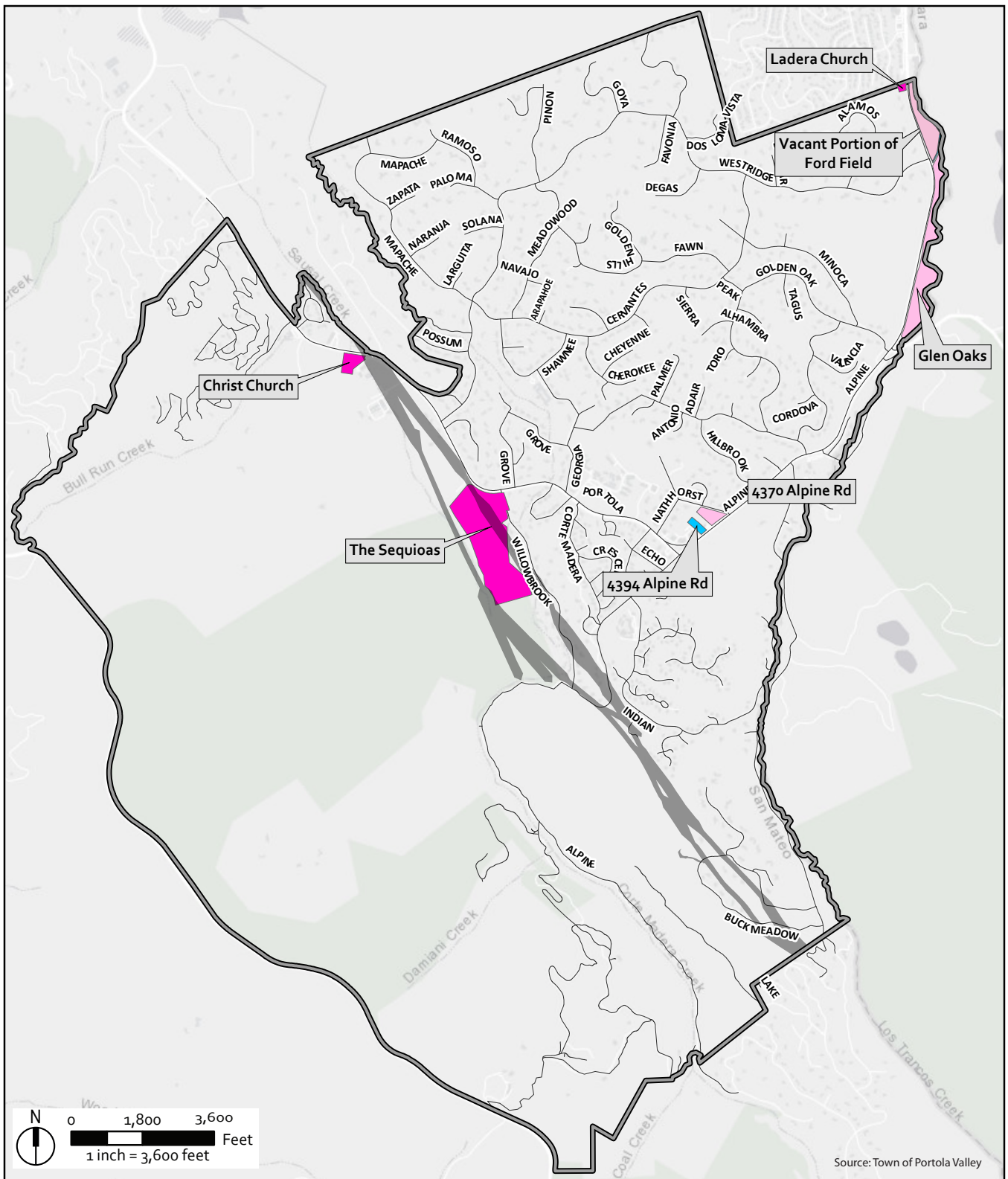
As mentioned in the beginning of this section, the town's geologic setting in steep and often hazardous terrain does constrain the amount and types of housing that can be built. In addition, the Midpeninsula Regional Open Space District is an important source of open space for hiking and recreational uses for the region. The land preserved provides habitat for wild animals and plants and protecting water and air quality, and therefore the low-density housing pattern and the clustering of development in the town serves to protect this important regional resource.

San Mateo County is in a region of high seismicity because of the presence of the San Andreas Fault that bisects the county (and the town), the Hayward Fault across the bay to the east, and the San Gregorio Fault to the west. The primary seismic hazard for Portola Valley is potential ground shaking from these three large faults.

The Town of Portola Valley also has both 1 percent and 0.2 percent annual chance flood zones as defined by the Federal Emergency Management Agency (FEMA). In the past, Portola Valley has experienced minor flooding in areas adjacent to streams. These areas include portions of the natural floodplains of Corte Madera, Sausal, and Los Trancos creeks, and locations where inadequate or obstructed drainage facilities have been unable to contain peak flows.

To protect the residents and properties of Portola Valley, the Safety Element includes policies and implementation actions including review of the Town's Geologic Map and Ground Movement Potential Map and Federally issued Flood Insurance Rate Maps during development application review and a site-specific fault investigation for structures within an Earthquake Fault Zone.

The Town mapped several hazards constraints to inform the sites selection process and determine areas safest for future development. This included fault setbacks, flood zones, and least stable soil types (based on the Town's Ground Movement Potential Map) (see Figures 4-2 through 4-4).



Source: Town of Portola Valley






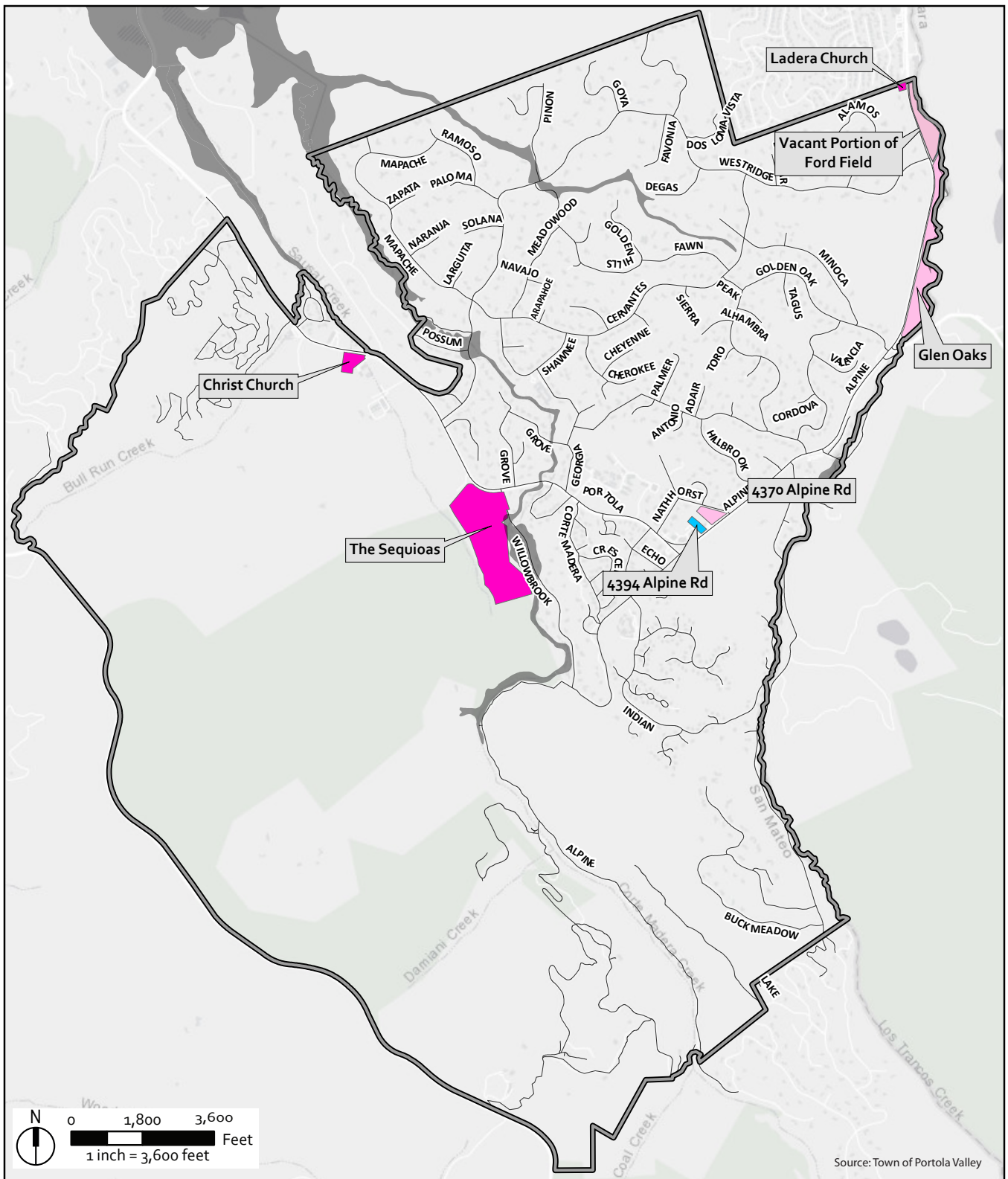
-  Portola Valley Jurisdictional Boundary
-  Vacant Housing Sites
-  Non-Vacant Housing Sites (Not Affiliated)
-  Non-Vacant Affiliated Housing Sites
-  Fault Setbacks

Figure 4-2
 Sites Inventory With Fault Setbacks
PORTOLA VALLEY HOUSING ELEMENT UPDATE








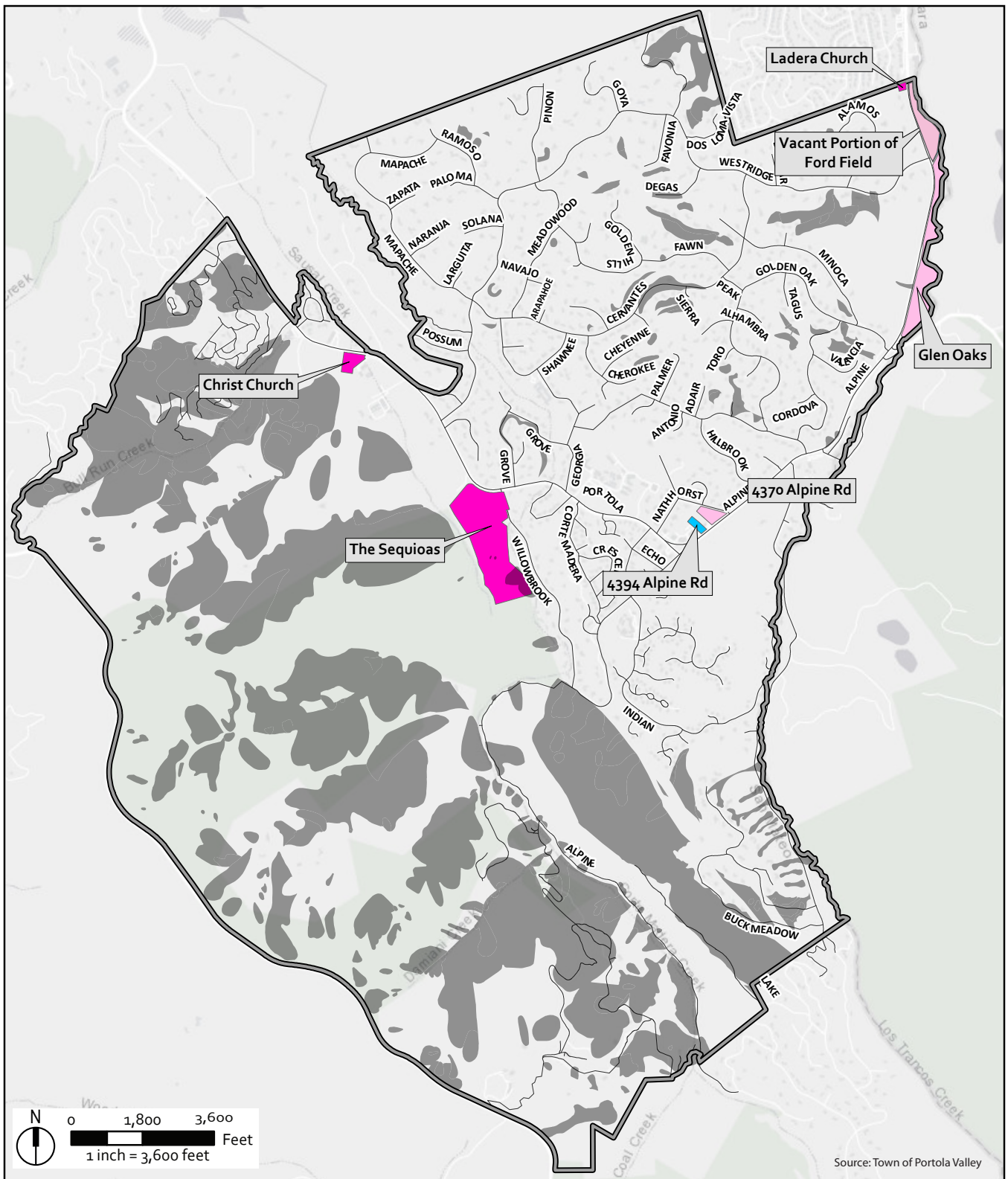
-  Portola Valley Jurisdictional Boundary
-  Vacant Housing Sites
-  Non-Vacant Housing Sites (Not Affiliated)
-  Non-Vacant Affiliated Housing Sites
-  Flood Zones

Figure 4-3
Sites Inventory With Flood Zones








-  Portola Valley Jurisdictional Boundary
-  Vacant Housing Sites
-  Non-Vacant Housing Sites (Not Affiliated)
-  Non-Vacant Affiliated Housing Sites
-  Least Soil Stability

Figure 4-4
 Sites Inventory With Ground Movement Potential - Least Soil Stability
PORTOLA VALLEY HOUSING ELEMENT UPDATE

Wildfire Hazards

Portola Valley is also characterized by steep canyons and gullies, with dense vegetation, including thick brush and trees, interspersed throughout its residential neighborhoods. The town is bounded to the south, east, and west by open space land uses: Windy Hill Open Space Preserve, Pearson-Arastradero Preserve, and Thornwood Open Space Preserve, respectively. The deep canyons that dominate the topography creates difficult-to-access areas where vegetation management is difficult to accomplish; in addition, east-west oriented canyons create funnels for strong autumn winds, which tend to blow from the east or west and amplify wildfire hazards.⁵

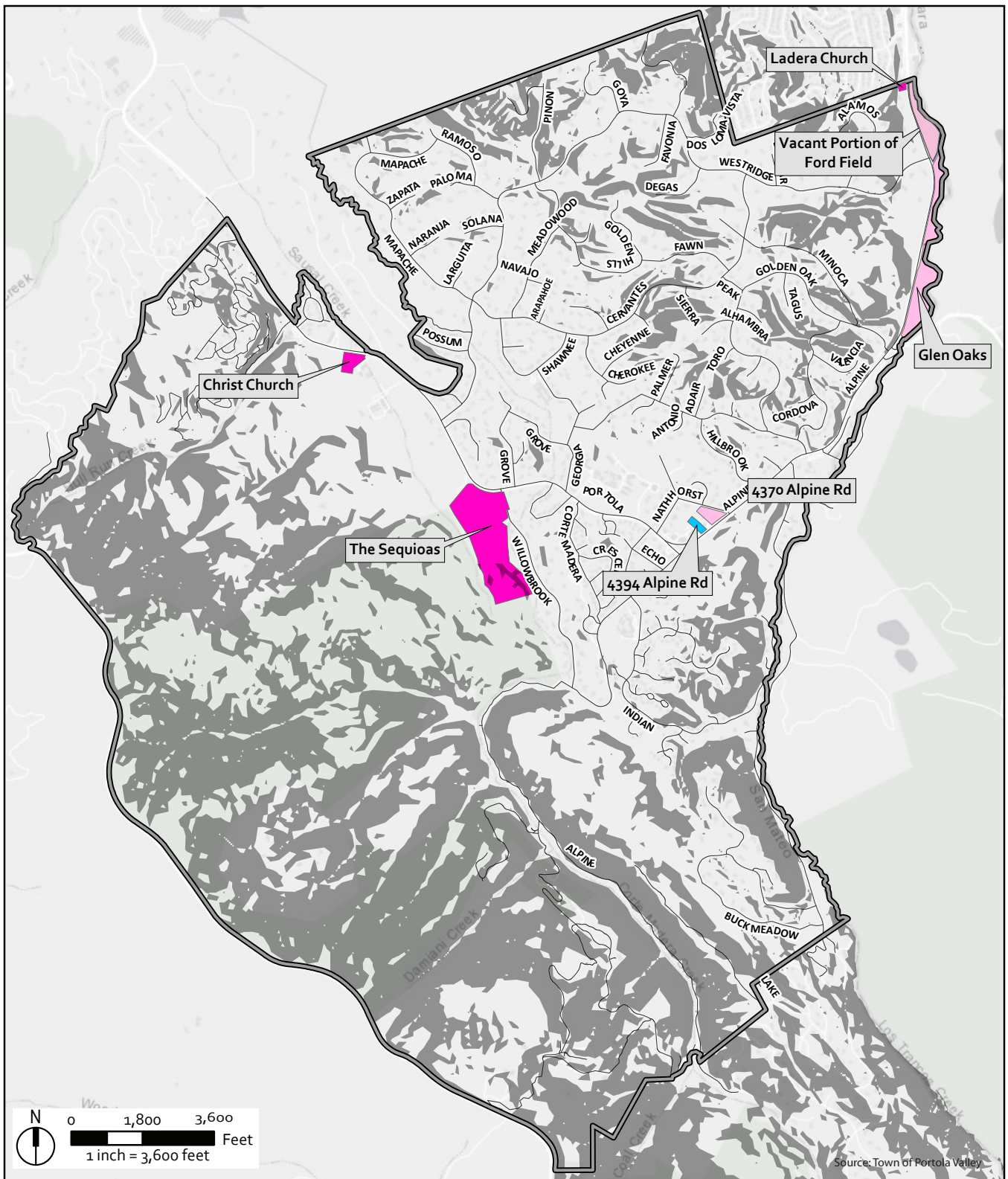
The climate in San Mateo County is Mediterranean and characterized by warm, dry temperatures accompanied by wind. The topography, fuel conditions, and climate combine to make Portola Valley and surrounding areas at risk for wildfire. Historic weather data suggests that the greatest wildfire threat may be driven by eastern winds, which are typically drier and less common; therefore, areas where the topography aligns with the dominant fire-season winds (east-west oriented canyons) face a higher likelihood of extreme wildfire behavior.⁶

In the event of a fire emergency, the Portola Valley planning area is served by the Woodside Fire Protection District, Cal Fire, and Stanford University. Northern and eastern portions of the planning area are also served by the Menlo Park Fire Protection District and the Palo Alto Fire Department. Woodside Fire Protection District Station #8 serves Portola Valley. All of these fire protection services fight both structural and wildland fires.

To protect the residents and properties of Portola Valley, the Safety Element includes policies and programs that promote new development outside of the Very High Fire Hazard Severity Zone, require private vegetation management, expand the Town's home hardening ordinance, and incorporating the Woodside Fire Protection District's forthcoming fire hazard and risk assessment findings. Until this analysis is complete, the Town has mapped slopes greater than 30%, parcels with single evacuation routes, and CalFire's Very High Fire Hazard Severity Zones to ensure future development occurs in areas with the least amount of known wildfire risk (see Figures 4-5 through 4-7).

⁵ Deer Creek Resources, 2022, op. cit.

⁶ Ibid.








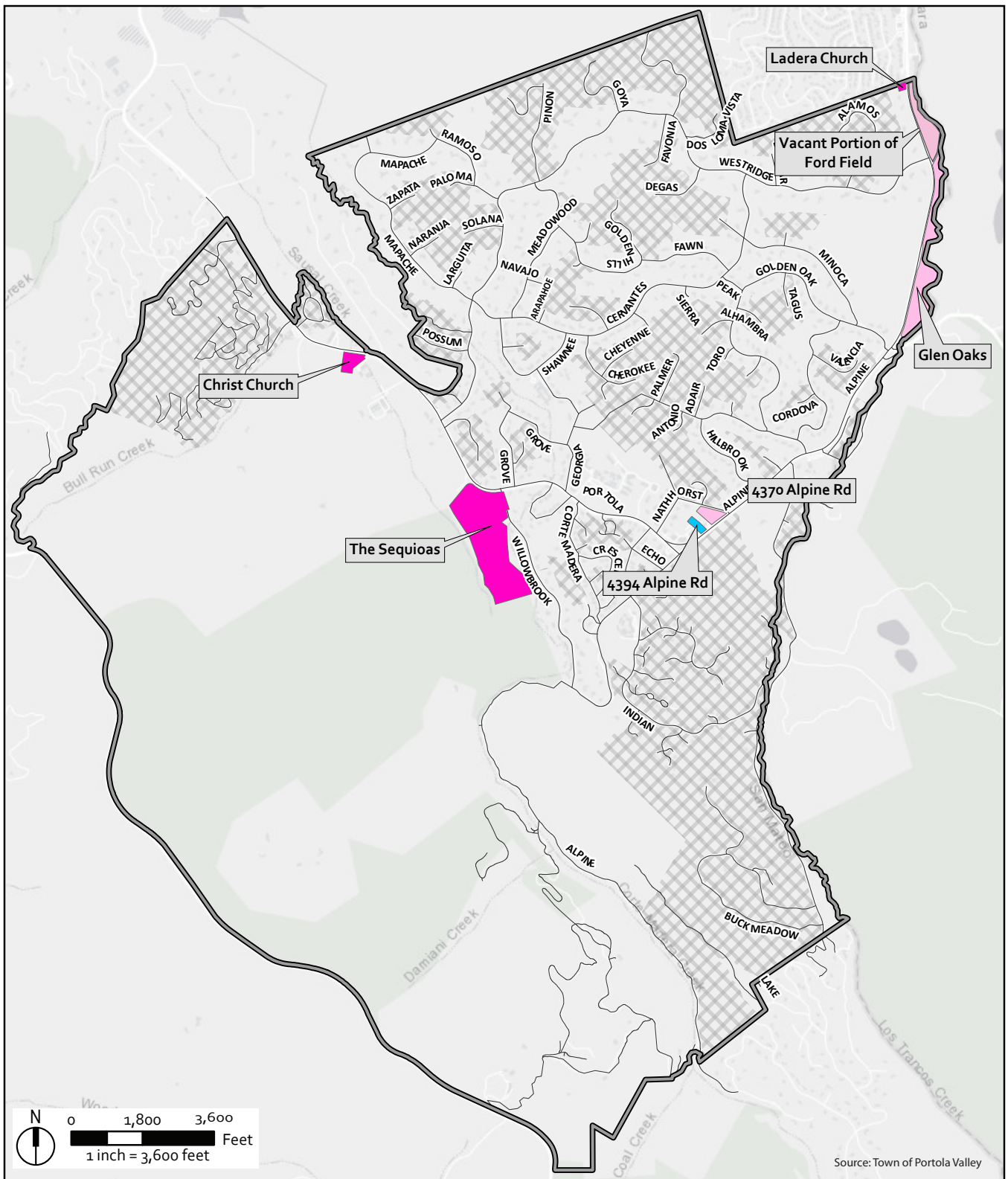
-  Portola Valley Jurisdictional Boundary
-  Vacant Housing Sites
-  Non-Vacant Housing Sites (Not Affiliated)
-  Non-Vacant Affiliated Housing Sites
-  Slopes Greater Than 30%

Figure 4-5
 Sites Inventory With Slopes Greater Than 30%
PORTOLA VALLEY HOUSING ELEMENT UPDATE



Source: Town of Portola Valley





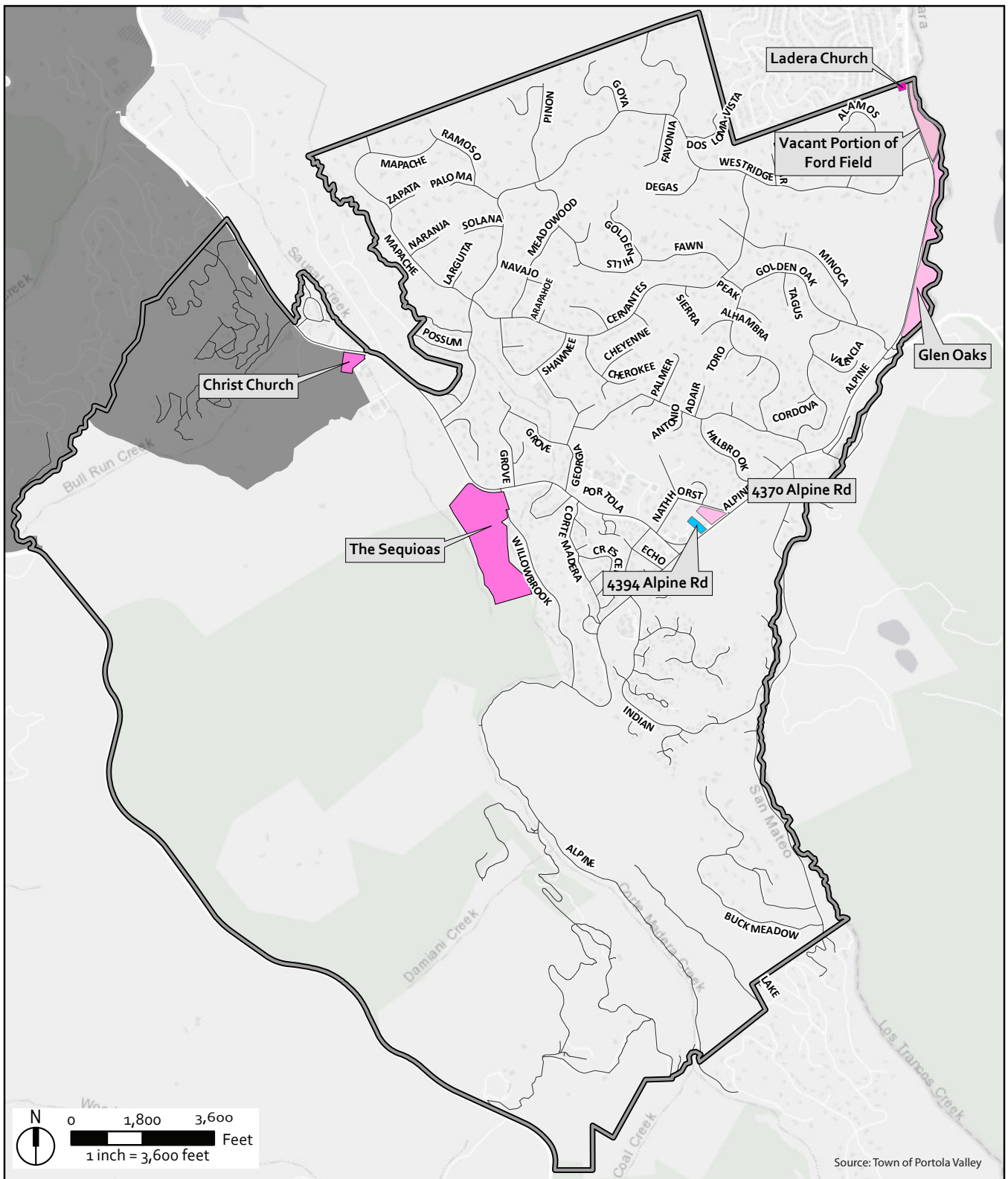
-  Portola Valley Jurisdictional Boundary
-  Vacant Housing Sites
-  Non-Vacant Housing Sites (Not Affiliated)
-  Non-Vacant Affiliated Housing Sites
-  Parcels With Single Evacuation Route

Figure 4-6
 Sites Inventory With Parcels With Single Evacuation Routes
PORTOLA VALLEY HOUSING ELEMENT UPDATE



-  Portola Valley Jurisdictional Boundary
-  Vacant Housing Sites
-  Non-Vacant Housing Sites (Not Affiliated)
-  Non-Vacant Affiliated Housing Sites
-  Very High Fire Hazard Zones

Figure 4-7
 Sites Inventory With Very High Fire Hazard Zones
PORTOLA VALLEY HOUSING ELEMENT UPDATE

**Attachment 1: Memo from Century Urban, San Mateo and Santa Clara Counties
Development Cost & San Mateo County Unit Mix Research, dated April 7, 2022.**



BAIRD + DRISKELL

TO: Baird + Driskell
FROM: Century Urban, LLC
SUBJECT: San Mateo and Santa Clara Counties Development Cost & San Mateo County Unit Mix Research
DATE: April 7, 2022

Century | Urban has been engaged by Baird + Driskell to perform research on the development costs of certain residential prototypes in San Mateo and Santa Clara Counties as well as the unit mixes of residential projects delivered since 2013 in San Mateo County. The research findings shown below in Exhibits 1, 2, 3, and 4 are based on Century | Urban's recent work on other assignments as well as on third-party data sources, further detailed below, which Century | Urban considers credible but has not independently verified.

The estimated prototype project costs shown below reflect high-level averages and do not represent any specific project budget. Project costs vary by geography, topography, site conditions, finish level, entitlement and permit status, contractor type, and time among other factors. Key elements of the prototypes were provided by Baird + Driskell.

The San Mateo County unit mix results represent the data available to Century | Urban through its research and does not represent every project built in each market or market-level conclusions. However, the data does present over 100 projects and over 13,000 units and as such is informative with respect to the types and sizes of units built during the period surveyed.

With respect to the unit mix data, please note that a lack of data for a given city does not necessarily mean that no projects or units were built in that city, but rather that no relevant data was available for that city.

Land prices range substantially across the surveyed transactions. To convey the range of land costs reviewed, Century | Urban provided the averages of the bottom third of the land sales, the middle third, and the highest third. Further detail on the land sales that were available is reflected in Exhibits 3 and 4.



Research and Data Sources

The estimates shown below are based on data and sources including but not limited to: similar projects Century | Urban has underwritten and/or priced; specific project economics Century | Urban has reviewed; direct conversations with developers and cost estimators; database research including CoStar, MLS, Redfin, and title databases; online research sources including City and project websites; market reports compiled by real estate sales and research organizations; and, Century | Urban's general experience assessing residential project feasibility in the San Francisco Bay Area.

Single Family Home Land Price Data

To generate the single-family land values utilized in the development cost estimates, Century | Urban collected sales data for land lots totaling one acre or less which transacted over the past three years across the surveyed jurisdictions in San Mateo and Santa Clara counties. Over 250 data points were collected. The data does not include properties with existing homes or infrastructure that were redeveloped as new single-family homes, and the data for some cities is limited.

As the data collected is not comprehensive, summaries and averages may be valuable for reaching overall conclusions about the range of land prices in the counties, but they may or may not be representative of a given city's average or median land price or the land price for a given parcel. The table in Exhibit 3 should therefore be reviewed noting the limited number of data points for certain cities. Land prices vary substantially by location, topography, site conditions, shape of the parcel, neighboring uses, access, noise, and many other factors. In addition, completed sales are necessarily past transactions and may not represent the current state of the market and expected future land sale prices.

Multi Family Home Land Price Data

Century | Urban collected available multi family land sales data from 2013 to the present in San Mateo and Santa Clara counties. Over 65 data points were collected. In certain cases, the multi family projects designated for the sites have not been completed. In those cases, Century | Urban based unit counts based on approved or the reported number of units planned. The data includes both sites with for-rent and for-sale projects.

Similar to the single family data points, the available information is not comprehensive and is more informative at a county level. Summaries and averages by city may not be valuable for reaching definitive conclusions about a given city's average or median land price or the land price for a given parcel. Particularly in cities with a less than five data points, any given sale or set of sales could represent an outlier or outliers which may affect median and average calculations. As noted above, land prices vary substantially by location, topography, site conditions, shape of the parcel, neighboring uses, access, noise, and many other factors. In addition, completed sales are necessarily past transactions and may not represent the current state of the market and expected future land sale prices.

**Exhibit 1: Total Development Cost: Single-family****Baird and Driskell****Total Development Costs - San Mateo and Santa Clara Counties**

Large numbers rounded to nearest \$'000 or nearest \$'0,000

	Single Family Small		Single Family Large	
	Total	\$/ SF	Total	\$/ SF
Prototype Elements				
1) Gross Residential Square Feet	2,600		5,000	
Hard Costs				
1) Residential Hard Costs	\$1,040,000	\$400	\$2,500,000	\$500
2) Site improvements and utilities				
3) Grading and erosion control				
4) Parking Hard Costs				
5) Contingency 5%	\$52,000	\$20	\$125,000	\$25
Total Hard Costs	\$1,092,000	\$420	\$2,625,000	\$525
Soft Costs				
1) Soft Costs 25.0%	\$270,000	\$104	\$660,000	\$132
2) City Fees	\$75,000	\$29	\$75,000	\$15
3) Soft Cost Contingency 5%	\$20,000	\$8	\$40,000	\$8
Total Soft Costs	\$365,000	\$133	\$775,000	\$147
<i>% of hard costs</i>	33%		30%	
Land Costs	Total	Per SF Bldg	Total	Per SF Bldg
1) Land Costs - San Mateo	\$1,030,000	\$396	\$1,030,000	\$206
2) Land Costs - Santa Clara	\$1,320,000	\$508	\$1,320,000	\$264
Single Family Land Cost Range				
SFH Land - Lower Price Tier	\$210,000	\$81	\$210,000	\$42
SFH Land - Middle Price Tier	\$730,000	\$281	\$730,000	\$146
SFH Land - Higher Price Tier	\$2,510,000	\$965	\$2,510,000	\$502
Total Development Cost - San Mateo	\$2,487,000	\$949	\$4,430,000	\$878
Total Development Cost - Santa Clara	\$2,777,000	\$1,060	\$4,720,000	\$936
Total Development Cost by Range of Land Cost				
Single Family - Lower Land Price Tier	\$1,667,000	\$633	\$3,610,000	\$714
Single Family - Middle Land Price Tier	\$2,187,000	\$833	\$4,130,000	\$818
Single Family - Higher Land Price Tier	\$3,967,000	\$1,518	\$5,910,000	\$1,174



Exhibit 1: Total Development Cost: Multi-family

Baird and Driskell

Total Development Costs - San Mateo and Santa Clara Counties

Large numbers rounded to nearest \$'000 or nearest \$'0,000

	Multi-Family Small			Multi-Family Large		
	Total	\$/ SF	\$/ Unit	Total	\$/ SF	\$/ Unit
Prototype Elements						
1) Gross Residential Square Feet	10,000			93,750		
2) Parking Square Footage	3,750			40,000		
3) Parking Type	Surface Lot			Standalone above grade		
4) Units	10			100		
5) Avg Net SF / Unit	850			750		
6) Efficiency	85%			80%		
Hard Costs						
1) Residential Hard Costs	\$4,150,000	\$415	\$420,000	\$39,840,000	\$425	\$400,000
2) Site improvements and utilities	\$605,000			\$1,165,000		
3) Grading and erosion control	\$110,000			\$335,000		
4) Parking Hard Costs	\$100,000	\$28		\$4,800,000	\$120	
5) Contingency 5%	\$250,000	\$21	\$21,000	\$2,310,000	\$21	\$20,000
Total Hard Costs	\$5,215,000	\$522	\$521,500	\$48,450,000	\$517	\$484,500
Soft Costs						
1) Soft Costs 25.0%	\$1,303,750	\$130	\$130,000	\$12,110,000	\$129	\$120,000
2) City Fees	\$350,000	\$35	\$35,000	\$2,800,000	\$30	\$28,000
3) Soft Cost Contingency 5%	\$80,000	\$8	\$8,000	\$750,000	\$8	\$7,500
Total Soft Costs	\$1,733,750	\$165	\$165,000	\$15,660,000	\$159	\$148,000
<i>% of hard costs</i>	<i>33%</i>			<i>32%</i>		
Land Costs						
	Total		Per Unit			Per Unit
1) Land Costs - San Mateo	\$1,000,000		\$100,000	\$10,000,000		\$100,000
2) Land Costs - Santa Clara	\$600,000		\$60,000	\$6,000,000		\$60,000
Range of Land Costs						
Apts/Condo- Lower Price Tier	\$400,000		\$40,000	\$4,000,000		\$40,000
Apts/Condo- Middle Price Tier	\$800,000		\$80,000	\$8,000,000		\$80,000
Apts/Condo- Higher Cost Tier	\$1,600,000		\$160,000	\$16,000,000		\$160,000
Total Development Cost - San Mateo	\$7,948,750	\$795	\$786,500	\$74,110,000	\$791	\$732,500
Total Development Cost - Santa Clara	\$7,548,750	\$755	\$746,500	\$70,110,000	\$748	\$692,500
Total Development Cost by Range of Land Cost						
Apts/Condo- Lower Land Price Tier	\$7,348,750		\$726,500	\$68,110,000		\$672,500
Apts/Condo- Middle Land Price Tier	\$7,748,750		\$766,500	\$72,110,000		\$712,500
Apts/Condo- Higher Land Price Tier	\$8,548,750		\$846,500	\$80,110,000		\$792,500



Exhibit 2: Unit Mixes - Number of Units by Unit Type and Unit Mix Percentages

San Mateo County Apartments

Number of Units	Unit Numbers							Unit Mix				
	Projects	Studios	One	Two	Three	Four	Total	Studios	One	Two	Three	Four
Proposed	25	936	1,639	888	124	56	3,643	26%	45%	24%	3%	2%
Existing	63	905	4,223	2,626	523	1	8,279	11%	51%	32%	6%	0%
Final Planning	3	328	19	75	33	7	462	71%	4%	16%	7%	2%
<u>Under Construction</u>	<u>16</u>	<u>268</u>	<u>619</u>	<u>523</u>	<u>79</u>	<u>0</u>	<u>1,489</u>	<u>18%</u>	<u>42%</u>	<u>35%</u>	<u>5%</u>	<u>0%</u>
Totals	107	2,437	6,500	4,112	759	64	13,872	18%	47%	30%	5%	0%

	Projects	Studios	One	Two	Three	Four	Total	Studios	One	Two	Three	Four
South San Francisco	8	90	853	604	55	0	1,602	6%	53%	38%	3%	0%
San Mateo	19	228	734	715	154	1	1,832	12%	40%	39%	8%	0%
Redwood City	28	1,019	2,262	1,125	163	0	4,569	22%	50%	25%	4%	0%
Menlo Park	12	600	995	411	80	47	2,133	28%	47%	19%	4%	2%
Millbrae	3	147	151	133	23	0	454	32%	33%	29%	5%	0%
Foster City	5	12	367	302	83	0	764	2%	48%	40%	11%	0%
Burlingame	11	105	606	474	28	0	1,213	9%	50%	39%	2%	0%
Daly City	3	206	79	72	23	0	380	54%	21%	19%	6%	0%
San Carlos	7	0	101	84	88	9	282	0%	36%	30%	31%	3%
Half Moon Bay	2	0	149	21	2	0	172	0%	87%	12%	1%	0%
East Palo Alto	2	8	55	80	27	7	177	5%	31%	45%	15%	4%
San Bruno	4	4	119	62	14	0	199	2%	60%	31%	7%	0%
Belmont	1	18	25	21	17	0	81	22%	31%	26%	21%	0%
El Granada	1	0	3	6	0	0	9	0%	33%	67%	0%	0%
Pacifica	1	0	1	2	2	0	5	0%	20%	40%	40%	0%
Total	107	2,437	6,500	4,112	759	64	13,872	18%	47%	30%	5%	0%

San Mateo County Condominiums

Number of Units	Unit Numbers							Unit Mix				
	Projects	Studios	One	Two	Three	Four	Total	Studios	One	Two	Three	Four
Proposed	2	72	0	8	1	1	82	88%	0%	10%	1%	1%
Existing	12	0	46	293	194	0	533	0%	9%	55%	36%	0%
Final Planning	0	0	0	0	0	0	0					
<u>Under Construction</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>0%</u>	<u>0%</u>	<u>100%</u>	<u>0%</u>	<u>0%</u>
Total with Unit Mix Data	15	72	46	311	195	1	625	12%	7%	50%	31%	0%

	Projects	Studios	One	Two	Three	Four	Total	Studios	One	Two	Three	Four
South San Francisco	1	0	40	57	0	0	97	0%	41%	59%	0%	0%
San Mateo	5	72	0	201	97	1	371	19%	0%	54%	26%	0%
Daly City	2	0	0	2	84	0	86	0%	0%	2%	98%	0%
San Carlos	1	0	3	8	9	0	20	0%	15%	40%	45%	0%
Menlo Park	1	0	0	15	0	0	15	0%	0%	100%	0%	0%
Burlingame	3	0	3	18	1	0	22	0%	14%	82%	5%	0%
Redwood City	1	0	0	10	0	0	10	0%	0%	100%	0%	0%
Half Moon Bay	1	0	0	0	4	0	4	0%	0%	0%	100%	0%
Brisbane	No data available											
Belmont	No data available											
Foster City	No data available											
Pacifica	No data available											
Total	15	72	46	311	195	1	625	12%	7%	50%	31%	0%



Exhibit 2: Unit Mixes - Unit Sizes

San Mateo County Apartments

Average Unit Sizes

	<u>Studios</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>
Proposed	506	688	1,115	1,565	2,208
Existing	535	745	1,108	1,411	1,939
Final Planning					
Under Construction	508	708	1,081	1,413	
Total Data Available	524	733	1,105	1,422	2,186

	<u>Studios</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>
South San Francisco	511	705	1,116	1,321	
San Mateo	590	769	1,109	1,436	1,939
Redwood City	546	756	1,125	1,421	
Menlo Park	538	692	1,062	1,434	1,782
Millbrae	475	656	1,147	1,369	
Foster City	579	716	1,088	1,402	
Burlingame	518	785	1,128	1,368	
Daly City	422	649	932	1,187	
San Carlos		774	1,206	1,520	2,303
Half Moon Bay		659	957	1,330	
East Palo Alto		530	795		
San Bruno	476	716	1,006	1,386	
Belmont					
El Granada		616	1,047		
Pacifica		1,750	900	1,100	

San Mateo County Condominiums

Average Unit Sizes

Insufficient data

**Exhibit 3: Single Family Land Sale Data Summary****Single Family Home Land Sites up to 1 acre, last 3 years**

County	City	Available Data Points	Per Square Foot				Per Single Family Home			
			Min	Max	Median	Average	Min	Max	Median	Average
San Mateo County	Moss Beach	19	\$14	\$117	\$64	\$64	\$125,000	\$582,500	\$375,000	\$335,053
San Mateo County	Woodside	4	\$10	\$88	\$24	\$36	\$150,000	\$2,000,000	\$377,250	\$726,125
San Mateo County	South San Francisco	4	\$33	\$89	\$59	\$60	\$165,000	\$3,800,000	\$431,000	\$1,206,750
San Mateo County	Montara	12	\$23	\$269	\$65	\$79	\$275,000	\$1,750,000	\$439,000	\$533,917
San Mateo County	Half Moon Bay	33	\$1	\$324	\$75	\$91	\$5,000	\$2,300,000	\$447,000	\$514,455
San Mateo County	Pacifica	6	\$14	\$105	\$70	\$63	\$300,000	\$925,000	\$447,500	\$500,000
San Mateo County	Belmont	12	\$2	\$721	\$56	\$118	\$55,000	\$4,470,000	\$495,000	\$960,583
San Mateo County	East Palo Alto	5	\$72	\$135	\$92	\$100	\$235,000	\$3,550,000	\$675,000	\$1,379,600
San Mateo County	Redwood City	18	\$6	\$345	\$129	\$145	\$50,000	\$5,350,000	\$825,000	\$1,170,250
San Mateo County	Emerald Hills	2	\$125	\$132	\$129	\$129	\$975,000	\$980,000	\$977,500	\$977,500
San Mateo County	San Bruno	2	\$179	\$207	\$193	\$193	\$560,000	\$1,500,250	\$1,030,125	\$1,030,125
San Mateo County	San Carlos	11	\$2	\$405	\$94	\$126	\$29,000	\$2,980,000	\$1,100,000	\$1,214,455
San Mateo County	San Mateo	1	\$500	\$500	\$500	\$500	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
San Mateo County	Portola Valley	4	\$47	\$129	\$58	\$73	\$1,325,000	\$3,000,000	\$1,578,000	\$1,870,250
San Mateo County	Burlingame	1	\$125	\$125	\$125	\$125	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
San Mateo County	Menlo Park	3	\$165	\$591	\$459	\$405	\$2,580,000	\$6,500,000	\$2,780,000	\$3,953,333
San Mateo County	Millbrae	1	\$239	\$239	\$239	\$239	\$3,080,500	\$3,080,500	\$3,080,500	\$3,080,500
San Mateo County	Hillsborough	3	\$85	\$306	\$116	\$169	\$3,050,000	\$8,000,000	\$4,000,000	\$5,016,667
San Mateo County	Atherton	2	\$147	\$208	\$178	\$178	\$2,500,000	\$6,400,000	\$4,450,000	\$4,450,000
San Mateo County	Total	143	\$1	\$721	\$84	\$110	\$5,000	\$8,000,000	\$510,000	\$1,026,691
Santa Clara County	Los Gatos	15	\$1	\$251	\$6	\$50	\$9,500	\$3,250,000	\$250,000	\$716,237
Santa Clara County	Morgan Hill	11	\$1	\$495	\$15	\$79	\$29,000	\$1,365,000	\$475,000	\$490,533
Santa Clara County	San Jose	54	\$12	\$677	\$75	\$150	\$32,000	\$5,300,000	\$925,000	\$949,380
Santa Clara County	Campbell	8	\$13	\$897	\$120	\$194	\$10,000	\$1,500,000	\$1,038,000	\$975,000
Santa Clara County	Mountain View	3	\$76	\$271	\$141	\$163	\$1,050,000	\$2,300,000	\$1,150,000	\$1,500,000
Santa Clara County	Santa Clara	1	\$169	\$169	\$169	\$169	\$1,275,000	\$1,275,000	\$1,275,000	\$1,275,000
Santa Clara County	Sunnyvale	3	\$167	\$602	\$214	\$328	\$1,080,000	\$5,750,000	\$1,345,000	\$2,725,000
Santa Clara County	Cupertino	4	\$47	\$297	\$197	\$185	\$872,000	\$2,900,000	\$2,175,000	\$2,030,500
Santa Clara County	Monte Sereno	2	\$61	\$1,006	\$534	\$534	\$2,142,714	\$2,427,500	\$2,285,107	\$2,285,107
Santa Clara County	Saratoga	5	\$61	\$171	\$74	\$93	\$1,380,000	\$2,900,000	\$2,640,000	\$2,386,000
Santa Clara County	Palo Alto	7	\$79	\$584	\$333	\$323	\$2,050,000	\$4,000,000	\$3,100,000	\$2,965,000
Santa Clara County	Los Altos	5	\$121	\$352	\$257	\$235	\$1,600,000	\$7,250,000	\$3,470,000	\$3,723,600
Santa Clara County	Los Altos Hills	1	\$99	\$99	\$99	\$99	\$3,995,000	\$3,995,000	\$3,995,000	\$3,995,000
Santa Clara County	Total	119	\$1	\$1,006	\$84	\$157	\$9,500	\$7,250,000	\$1,065,000	\$1,320,556

The data in the table above represents the available single family home lot sales data points collected for this high-level survey. As the data is limited for certain cities, the specific, median, and average amounts per city may not be representative of a city's current median or average land costs or the city's land costs relative to other cities listed.

**Exhibit 4: Multi Family Land Sale Data Summary****Multi Family Land Sites - Available Data**

<u>County</u>	<u>City</u>	<u>Available Data Points</u>	<u>Per Multi Family Unit</u>			
			<u>Min</u>	<u>Max</u>	<u>Median</u>	<u>Average</u>
San Mateo	San Mateo	3	\$135,000	\$180,000	\$151,000	\$155,000
San Mateo	San Carlos	4	\$33,000	\$333,000	\$262,000	\$222,000
San Mateo	Millbrae	2	\$64,000	\$92,000	\$78,000	\$78,000
San Mateo	Redwood City	6	\$78,000	\$400,000	\$95,000	\$157,000
San Mateo	South San Francisco	2	\$44,000	\$77,000	\$61,000	\$61,000
San Mateo	Burlingame	3	\$59,000	\$117,000	\$73,000	\$83,000
San Mateo	Menlo Park	3	\$37,000	\$98,000	\$50,000	\$62,000
San Mateo	Daly City	2	\$29,000	\$60,000	\$45,000	\$45,000
San Mateo	Pacifica	2	\$117,000	\$118,000	\$117,000	\$117,000
San Mateo	Belmont	1	\$105,000	\$105,000	\$105,000	\$105,000
San Mateo	Total	28	\$29,000	\$400,000	\$95,000	\$123,000
			<i>County Weighted Average</i>			\$96,000
			<i>Per Unit Land Amount Applied</i>			\$100,000

<u>County</u>	<u>City</u>	<u>Available Data Points</u>	<u>Per Multi Family Unit</u>			
			<u>Min</u>	<u>Max</u>	<u>Median</u>	<u>Average</u>
Santa Clara	San Jose	17	\$16,000	\$125,000	\$50,000	\$52,000
Santa Clara	Gilroy	1	\$44,000	\$44,000	\$44,000	\$44,000
Santa Clara	Morgan Hill	1	\$86,000	\$86,000	\$86,000	\$86,000
Santa Clara	Campbell	3	\$42,000	\$184,000	\$59,000	\$95,000
Santa Clara	Santa Clara	6	\$18,000	\$146,000	\$92,000	\$83,000
Santa Clara	Sunnyvale	6	\$55,000	\$306,000	\$238,000	\$215,000
Santa Clara	Palo Alto	1	\$73,000	\$73,000	\$73,000	\$73,000
Santa Clara	Mountain View	4	\$45,000	\$736,000	\$120,000	\$256,000
Santa Clara	Los Altos	1	\$513,000	\$513,000	\$513,000	\$513,000
Santa Clara	Total	40	\$16,000	\$736,000	\$60,000	\$117,000
			<i>County Weighted Average</i>			\$63,000
			<i>Per Unit Land Amount Applied</i>			\$60,000

The data in the table above represents the available multi family home lot sales data points collected for this high-level survey. As the data is limited for certain cities, the specific, median, and average amounts per city may not be representative of a city's current median or average land costs or the city's land costs relative to other cities listed.

SECTION 5. RESOURCES

This section analyzes resources available for the development, rehabilitation, and preservation of housing in Portola Valley, including organizations and agencies, financial sources, regulatory assets, and resources for energy conservation. The inventory of land resources suitable for housing can be found in *Section 6, Adequate Sites*.

FINANCIAL RESOURCES

The Town's housing programs are funded through a variety of State, and federal sources. These funds actively support fair housing choice, improving the housing stock, and protecting housing affordability in Portola Valley and throughout the region. This section offers a summary of funding sources that are currently available in Portola Valley, as well as additional funding sources that are potentially available to support various housing programs.

LOW-INCOME HOUSING TAX CREDITS (LIHTC)

The California Tax Credit Allocation Committee (TCAC) allocates federal and State tax credits to the developers of affordable housing for households at 30% to 60% of median income. Project equity is raised through the sale of tax benefits to investors. This is a competitive process with 4% and 9% credits available.

HOUSING CHOICE VOUCHERS (SECTION 8)

The housing choice voucher program is a federal program of the HUD administered by the San Mateo County Housing Authority. The voucher provides rental subsidies to low-income households to pay the difference between 30% of their income and the federally approved payment standard. The program allows households to find their own housing. Effective January 1, 2020, California source of income protections went into effect requiring all landlords in California to accept Section 8 and VASH (Veteran) vouchers and other forms of rental assistance.

VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) VOUCHERS

The VASH voucher program combines HUD's housing choice voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs.

OTHER STATE RESOURCES

Table 5-1 identifies additional funding federal and State resources for affordable housing activities, including but not limited to new construction, acquisition, rehabilitation, and homebuyer assistance.

TABLE 5-1: FEDERAL AND STATE FUNDING PROGRAMS

Program	Description
Federal Programs	
Continuum of Care (CoC) Program	Funding is available on an annual basis through HUD to quickly rehouse homeless individuals and families.
Home Ownership for People Everywhere (HOPE)	Provides grants to low-income people to achieve homeownership.
Housing Opportunities for Persons with AIDS (HOPWA)	Funds are made available countywide for supportive social services, affordable housing development, and rental assistance to persons living with HIV/AIDS.
HUD Section 202 Supportive Housing for the Elderly Program	Interest-free capital advance to private, non-profit sponsors to cover the costs of construction, rehabilitation, or acquisition of very low-income senior housing.
HUD Section 221(d)(3) and 221(d)(4)	Insures loans for construction or substantial rehabilitation of multi-family rental, cooperative, and single-room occupancy housing.
Section 811 Project Rental Assistance	Section 811 Project Rental Assistance offers long-term project-based rental assistance funding from HUD. Opportunities to apply for this project-based assistance are through a Notice of Funding Availability published by CalHFA.
State Programs	
Affordable Housing and Sustainable Communities Program (AHSC)	Funds land use, housing, transportation, and land preservation projects that support infill and compact development and GHG emissions.
CalHome	Grants to local public agencies and non-profits to assist first-time homebuyers become or remain homeowners through deferred-payment loans. Funds can also be used for ADU/JADU assistance (i.e., construction, repair, reconstruction, or rehabilitation).
CalHFA Residential Development Loan Program	Loans to cities for affordable, infill, owner-occupied housing developments.
California Emergency Solutions and Housing (CESH)	Grants for activities to assist persons experiencing or at-risk of homelessness.
California Self-Help Housing Program	Grants for sponsor organizations that provide technical assistance for low- and moderate-income families to build their homes with their own labor.
Community Development Block Grant-Corona Virus (CDBG-CV1) – CARES Act Funding	A subsidiary of the CDBG program that provides relief to eligible entities due to hardship caused by COVID-19.
Emergency Housing Assistance Program (EHAP)	Funds for emergency shelter, transitional housing, and related services for the homeless and those at risk of losing their housing.
Golden State Acquisition Fund (GSAF)	Short-term loans (up to five-years) to developers for affordable housing acquisition or preservation.
Homeless Emergency Aid Program (HEAP)	\$500 million block grant program designed to provide direct assistance to cities, counties and CoCs to address the homelessness crisis.

TABLE 5-1: FEDERAL AND STATE FUNDING PROGRAMS

Program	Description
Homeless, Housing Assistance and Prevention (HHAP) Program	HHAP Round 1: \$650 million grant to local jurisdictions to support regional coordination and expand or develop local capacity to address immediate homelessness challenges. Round 2: \$300 million grant that provides support to continue to build on regional collaboration to develop a unified regional response to homelessness.
Housing for a Healthy California (HHC)	Funding for supportive housing opportunities intended to create supportive housing for individuals who are recipients of or eligible for health provided through Medi-Cal.
Housing Navigators Program	\$5 million in funding to counties for the support of housing navigators to help young adults aged 18 to 21 secure and maintain housing, with priority given to young adults in the foster care system.
Housing-Related Parks Program	Funds the creation of new park and recreation facilities or improvement of existing park and recreation facilities that are associated with rental and ownership projects that are affordable to very low- and low-income households.
Infill Infrastructure Grant Program (IIG)	Grant funding for infrastructure improvements for new infill housing in residential and/or mixed-use projects.
Joe Serna, Jr., Farmworker Housing Grant (FWHG)	Grants and loans for development or rehabilitation of rental and owner-occupied housing for agricultural workers with priority for lower-income households.
Local Early Action Planning (LEAP) Grants	Assists cities and counties to plan for housing through providing one-time, non-competitive planning grants.
Local Housing Trust Fund Program (LHTF)	Lending for construction of rental housing projects with units restricted for at least 55 years to households earning less than 60% AMI. State funds matches local housing trust funds as down-payment assistance to first-time homebuyers.
Mortgage Credit Certificate (MCC) Program	Income tax credits to first-time homebuyers to buy new or existing homes.
Multi-Family Housing Program (MHP)	Low-interest, long-term deferred-payment permanent loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.
No Place Like Home	Invests in the development of permanent supportive housing for persons who need mental health services and are experiencing homelessness or chronic homelessness, or at risk of chronic homelessness.
Office of Migrant Services (OMS)	Provides grants to local government agencies that contract with HCD to operate OMS centers throughout the state for the construction, rehabilitation, maintenance, and operation of seasonal rental housing for migrant farmworkers.
Permanent Local Housing Allocation Program (PLHA)	Grants (competitive for non-entitlement jurisdictions) available to jurisdictions to assist in increasing the supply of affordable rental and ownership housing, facilitate housing affordability, and ensure geographic equity in the distribution of funds.
Predevelopment Loan Program (PDLP)	Short-term loans to jurisdictions and non-profit developers for the continued preservation, construction, rehabilitation, or conversion of assisted housing primarily for low-income households.

TABLE 5-1: FEDERAL AND STATE FUNDING PROGRAMS

Program	Description
Regional Early Action Planning (REAP) Grants	Grant funding intended to help COGs and other regional entities collaborate on projects that have a broader regional impact on housing.
SB 2 Planning Grants Program	One-time funding and technical assistance to help local governments adopt and implement plans and process improvements that streamline housing approvals and accelerate housing production.
Supportive Housing Multi-Family Housing Program (SHMHP)	Low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.
Transformative Climate Communities (TCC) Program	Competitive grants for planning and implementation of community-led development and infrastructure projects that achieve major environmental, health, and economic benefits in the state's most disadvantaged communities.
Transitional Housing Program (THP)	Funding to counties for child welfare services agencies to help young adults aged 18 to 25 find and maintain housing, with priority given to those previously in the foster care or probation systems.
Veterans Housing and Homelessness Prevention Program (VHHP)	Long-term loans for development or preservation of rental housing for very low- and low-income veterans and their families.
Workforce Housing Program	Government bonds issued to cities to acquire and convert market-rate apartments to housing affordable to moderate-/middle-income households, generally households earning 80% to 120% of AMI.

Source: Urban Planning Partners, 2022.

INSTITUTIONAL RESOURCES

The following agencies and organizations contribute to the goal of preserving and increasing affordable housing in Portola Valley. Both government agencies and partnerships with nonprofit agencies and for-profit developers are necessary to implement many housing programs.

TOWN GOVERNMENT AND CONTROL OF DEVELOPMENT AND BUILDING

The Town's governmental organization and land use controls further the objectives contained in the General Plan and are supplemented by voluntary efforts of local citizens. The size of the Town staff has been kept small using volunteer citizen committees as well as professional consultants for planning, engineering, building inspections, plan check, geology, and legal services. San Mateo County Environmental Health reviews septic systems and West Bay Sanitation District regulates sewer connections. The Woodside Fire Protection District implements the Fire Code and defensible space requirements.

Most building, grading, or other land improvement activities are subject to Town permit requirements. Each application for a planning or building permit is carefully reviewed for completeness and compliance with Town plans and regulations and standard procedures.

FAIR HOUSING SERVICES

Portola Valley, along with the County of San Mateo, contract with Project Sentinel to handle complaints of discrimination in the sale or rental of housing and for the mediation of tenant/landlord disputes. San Mateo County also has several local enforcement organizations including the Legal Aid Society of San Mateo County and Community Legal Services of East Palo Alto. These organizations receive funding from the County and participating jurisdictions to support fair housing enforcement and outreach and education in the County. The fair housing services include investigations and enforcement in response to reports of housing discrimination complaints, as well as independent testing of rental properties for signs of discrimination in rental practices. The Town disseminates fair housing information on its website, including where residents should go if they have a discrimination complaint. The Town recently formed a Race and Equity Committee with one of its goals being to examine the impact of historic laws that prohibited people of color from owning property in Portola Valley and make recommendations to redress the legacy of this systemic exclusion.

LOCAL NON-PROFIT RESOURCES

A number of non-profit organizations and support agencies currently work across San Mateo County. These agencies serve as resources in meeting the housing needs of the County and are integral in implementing activities for preservation of assisted housing and development of affordable housing, as well as creating safe and healthy places for all economic segments of the community. These organizations include but are not limited to the list below.

- HIP Housing: Human Investment Project
- HEART of San Mateo County
- Peninsula Habitat for Humanity
- First Community Housing
- MidPen Housing
- The Raiser Organization
- Alta Housing

REGULATORY RESOURCES

In addition to the institutional and administrative resources described earlier in this section, the Town has policy levers that it utilizes to facilitate the construction, rehabilitation, and preservation of affordable housing. Some of the Town's existing policies and programs are described below.

AFFORDABLE HOUSING INCENTIVES AND DENSITY BONUS

The Town of Portola Valley has adopted a Density Bonus ordinance and developer incentives for affordable housing that implement State Density Bonus Law. As required by State law, Portola Valley's Density Bonus program (Chapter 18.17 of the Municipal Code) grants an increase over the otherwise maximum allowable residential density under the General Plan and Zoning Ordinance for projects that include a mix of market-rate and affordable units.

In addition to a density bonus, pursuant to State law, projects are also eligible to receive concessions or incentives depending on the proposed level of affordability. These may include reductions or modifications in development standards, the inclusion of non-residential uses, and other regulatory incentives that will result in cost reductions that contribute to the feasibility of affordable or senior housing. Projects may also waive any standards that would preclude the physical development of the project with the density bonus units.

AFFILIATED HOUSING PROGRAM

Portola Valley is a rural community with historic development trends consisting of predominantly large-lot single-family residences. However, to accommodate multi-family development, the Town developed an affiliated housing program in the early 1990s that permits the development of multi-family housing on institutional sites for employees and staff affiliated with the institutions that own the parcels. This program, detailed within *Section 7, Goals, Policies and Programs*, allows for the development of affiliated affordable housing on sites throughout the town as identified within the Housing Sites Inventory included within *Section 6, Adequate Sites*.

The Town's Affiliated Housing program provides for the development of below-market rate housing options, affordable to lower-income households. Currently the Affiliated Housing program is implemented through the Housing Element. However, with this update, the Town's Municipal Code will be updated to further incentivize use of this program to provide affordable workforce housing and to establish the parameters and process for the Affiliated Housing program, including development standards and affordability requirements.

To date, the Town's Affiliated Housing Program has provided for the development of a total of 13 affiliated housing units which are located at the Woodside Priory School, a private catholic college preparatory school located northwest of the intersection of Alpine Road and Portola Road in the town. In 2001, the Town of Portola Valley approved an amendment to the Woodside Priory's approved Conditional Use Permit to allow for the development of seven workforce housing units intended to serve staff at the School. As part of this approval, the School was required to make every effort reasonably possible, to the satisfaction of the Town's Planning Commission, to ensure a majority of the units at the Priory site were rented out to achieve the below market rate RHNA objectives for the Town. These seven units were subsequently permitted and developed by the School. In 2005 the Town approved a Master Plan for the School that approved an additional 11 housing units to be built in the future. Six housing units were completed in 2022 with two being deed restricted for lower income households. When engaged as part of the 6th Cycle Housing Element update process, Woodside Priory School indicated they do not anticipate developing the remaining units during the eight-year 6th Cycle planning period.

Stanford University owns two sites in town and is also part of the Affiliated Housing Program. Stanford is currently proposing the construction of 12 affordable units under the Affiliated Housing Program.

ACCESSORY DWELLING UNITS (ADUs)

Accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) provide additional opportunities to provide housing units that are spread through the Town. Ministerial review of ADUs and JADUs requires no public hearings and proceeds on an expedited schedule. Consistent with State law, JADUs and ADUs are also allowed where single-family or multi-family dwellings already exist without any corrections to a nonconforming zoning condition. The Town has seen an increase in ADU development with the implementation of local Code amendments to facilitate ADUs as well as State laws, as discussed further in *Section 6, Adequate Sites*.

ZONING FOR A VARIETY OF HOUSING TYPES

Housing Element law requires the Town to provide for a variety of housing types to address certain hard to serve populations.

Emergency Shelters

State law (SB 2) requires that cities identify one or more zoning districts that allow emergency shelters. The Town amended its Municipal Code during the 5th Housing Element Cycle to comply with SB 2. The Town of Portola Valley Municipal Code allows emergency shelters for up to ten individuals in the Residential Estate (R-E) District when located on a parcel with a conditional use for a religious institution, subject to a zoning permit. Architectural and site plan review are required for the design of the emergency shelter unless the shelter is located within an existing structure, but no discretionary approval is required. Emergency shelters must be available to residents for no more than 60 days but extensions up to a total stay of 180 days may be permissible if no alternative housing is available. On-site management must be provided during the hours of shelter operation. Emergency shelters may include common space for the exclusive use of the guests, and office and meeting space for the exclusive use of emergency shelter staff. Each shelter must have a designated outdoor smoking area that is not visible from the street or from adjacent properties. The outdoor smoking area may be screened by vegetation. On-site parking may be provided as shared parking with the church use. If separate on-site parking is needed, the maximum amount required is 0.35 parking spaces per one bed plus one space per staff member on duty when guests are present.

Low Barrier Navigation Centers

A Low Barrier Navigation Center (LBNC) is a temporary service-enriched shelter that helps homeless individuals and families to quickly obtain permanent housing. AB 101 (2019) established requirements for local jurisdictions to allow low barrier navigation centers as a by-right use in certain mixed use and nonresidential districts. The Town currently does not have multi-family or mixed-use zoning districts, but when adopted in connection with this Housing Element update, program 8-3 is included to amend the Portola Valley Zoning Ordinance to allow LBNCs (see *Section 7, Goals, Policies, and Programs*).

Transitional Housing

SB 2 requires that transitional housing and supportive housing be treated as any other residential use, subject only to those restrictions on residential uses contained in the same type of structure in the same zone. The law also requires that the identified zones contain sufficient capacity to provide shelter for homeless persons that have unmet housing needs. Transitional housing, which is housing intended for a limited length of stay that is often linked with supportive services, may be provided in the M-R (Mountainous Residential) District, the R-E (Residential Estate) District, and the R-1 (Single-Family Residential) District. No additional approval is required as long as a transitional housing project meets the requirements applicable to the type of residential development in which it is accommodated. The Town is in the process of updating its Municipal Code to update the definition of transitional housing to comply with the State definition and to remove the six-resident cap currently specified in the Code. The Town currently does not have a multi-family zoning district, but when adopted in connection with this Housing Element update, transitional housing will be treated similarly to other residential uses (see *Section 7, Goals, Policies, and Programs*).

Supportive Housing

Consistent with SB 2, supportive housing developments are permitted in all zoning districts that permit residential uses. AB 2162 requires local jurisdictions to permit the development of supportive housing by right in any zoning district that permits multi-family and mixed uses. The Town has initiated an update to its Municipal Code to update the definition of Supportive Housing to be consistent with State law, to remove the six-resident cap and to accommodate the by-right, streamlined, ministerial review of supportive housing developments as mandated by Assembly Bill (AB) 2162 (2019). This update will be complete prior the certification of this Housing Element. AB 2162 requires local jurisdictions to permit the development of supportive housing by right in any zoning district that permits multi-family and mixed uses. The Town currently does not have a multi-family zoning district, but when adopted in connection with this Housing Element update, supportive housing will be permitted by right in qualifying districts (see *Section 7, Goals, Policies, and Programs*).

Housing for Persons with Disabilities

Persons with disabilities have a number of housing needs related to accessibility of dwelling units; access to transportation, employment, and commercial services; and alternative living arrangements that include on-site or nearby supportive living services. The Town ensures that new housing development comply with State and federal requirement for accessibility.

Reasonable Accommodation Procedures

As a matter of State law (SB 520), cities/towns are required to analyze potential and actual constraints upon the development, maintenance, and improvement of housing for persons with disabilities, and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities. Cities are

required to include programs that remove constraints and provide reasonable accommodations for housing designed for persons with disabilities.

The Town currently provides reasonable accommodation for persons with disabilities seeking housing. Any person or project requiring reasonable accommodation may submit a request to the Town for approval. Section 18.11.050 of the Town's Zoning Ordinance details the formal process for requesting reasonable accommodation.

Zoning and Other Land Use Designations

The following are methods by which the Town facilitates housing for persons with disabilities through its regulatory and permitting procedures:

- Residential care facilities for six or fewer persons are permitted as a residential use subject to the same requirements as any other permitted residential use of the same housing type that are permitted in the same zone.
- Residential care facilities for more than six persons are permitted in R-E, R-1, and M-R zoning districts.

ENERGY CONSERVATION OPPORTUNITIES

The State of California is a nationwide leader in sustainable building practices. Written into the State Building Code are several sets of requirements and guidelines to facilitate the production of more environmentally friendly buildings. These requirements are updated every three years. The most recent version, the 2019 California Building Standards Code took effect on January 1, 2020. Title 24, Part 6, of the California Code of Regulations (Building Energy Efficiency Standards for Residential and Nonresidential Buildings) contains building standards that provide for energy efficiency and focus on four key areas: smart residential photovoltaic systems, updated thermal envelope standards, residential and nonresidential ventilation requirements, and nonresidential lighting requirements. The Town of Portola Valley requires compliance with the 2019 California Building Code for all new construction. The Town amends the Code as needed to further define requirements based on the unique local conditions of the Town. The Code is designed to protect the public health, safety, and welfare of Portola Valley's residents. Compliance with the California Building Code on the use of energy efficient appliances and insulation has reduced energy demand stemming from new residential development.

Portola Valley has had a number of regulations that encourage energy conservation for years. These include permitting solar installations, utilizing subdivision regulations that protect solar access, and supporting energy efficient design. In addition, most new development is clustered, which reduces impacts on the land. The Town also requires native landscaping, which reduces the need for both water and energy. All of these policies and regulations will continue.

In addition to the green building regulations and the water conservation ordinances, the Town has been encouraging energy and water efficiency in existing homes through the State's

Energy Upgrade California program, California Water Service's rebate programs, and other voluntary measures and tools developed by the Town's Sustainability Committee.

Local and Regional Programs

The Bay Area Regional Energy Network (BAYREN) is a coalition of the Bay Area's nine counties working to promote resource efficiency at the regional level, focusing on energy, water, and greenhouse gas reduction. BAYREN provides rebates and financing for a variety of energy upgrades.

PG&E offers financial and energy-related assistance programs for its low-income customers, including:

- **Relief for Energy Assistance through Community Help (REACH).** The REACH program helps low-income qualified customers who experience uncontrollable or unforeseen financial hardships.
- **Low Income Home Energy Assistance Program (LIHEAP).** This federally funded program provides financial assistance to help offset eligible household's energy costs, including heating, cooling, and home weatherization expenses.
- **CARE/FERA Discount Programs.** CARE and FEA help eligible customers pay their energy bills. A monthly discount is applied on electricity and/or gas for eligible households.
- **Medical Baseline Allowance.** Customers who are eligible for Medical Baseline receive an additional allotment of electricity and/or gas per month. This helps to ensure that more energy to support qualifying medical devices is available at a lower rate.
- **Vulnerable Customer Program.** The Vulnerable Customer Program was designed to help address the needs of our customers whose life or health would be at risk should their electric or gas service be disconnected. Customers who self-certify that they have a serious illness or condition that could become life threatening if their electric or gas service is disconnected for nonpayment will receive an in-person visit from a PG&E representative before disconnection.

SECTION 6. ADEQUATE SITES

State Housing Element Law (Government Code Sections 65583(a)(3)) requires that jurisdictions demonstrate their availability of adequate land resources to accommodate their “fair share” of regional housing needs. Jurisdictions must demonstrate that these land resources have the appropriate site characteristics and development regulations required to accommodate their community’s housing needs as identified by the State Department of Housing and Community Development (HCD) and the Bay Area’s regional governing body, the Association of Bay Area Governments (ABAG). Land resources identified as suitable for potential future accommodation of residential development throughout the planning period are referred to as a “Sites Inventory.” This section describes the land resources which have been identified for inclusion in the Town’s Sites Inventory.

The analysis in this section demonstrates that there is an adequate supply of suitable land to accommodate the Town’s housing allocation of 253 units, including housing for very low- and low-income households. The section starts with a description of the Town’s housing target for the 2023-2031 planning period, called the Regional Housing Needs Allocation (RHNA). It then provides an analysis of suitable sites, including residential units in the pipeline, anticipated accessory dwelling units (ADUs), and vacant and non-vacant sites where housing is or will become an allowed use.

REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

RHNA is the State-required process that seeks to ensure each California jurisdiction is planning for enough housing capacity to accommodate their “fair share” of the state’s housing needs for all economic segments of the community. The RHNA process for the nine-county Bay Area is described below.

- **Regional Determination.** The California Department of Housing and Community Development (HCD) provided the Association of Bay Area Governments (ABAG) with a Regional Housing Needs Determination. HCD provided ABAG a regional determination of **441,176** units. This is the number the Bay Area must plan for between 2023 and 2031. It represents the number of additional units needed to accommodate the anticipated growth in the number of households, to replace expected demolitions and conversions of housing units to non-housing uses, and to achieve a future vacancy rate that allows for healthy functioning of the housing market. The Regional Housing Needs Determination for the first time ever also included adjustments related to the rate of overcrowding and the share of cost-burdened households, which resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles.
- **RHNA Methodology.** ABAG developed a RHNA methodology to allocate the Regional Housing Needs Determination across all cities, towns, and counties in the region. The RHNA methodology must be consistent with State objectives, including but not limited to promoting infill, equity, and environmental protection; ensuring jobs-housing balance;

and affirmatively furthering fair housing. The allocation also considers factors such as employment opportunities, the availability of suitable sites and public facilities, commuting patterns, and type and tenure of housing need. ABAG developed the RHNA methodology in conjunction with a committee of elected officials, staff from jurisdictions, and other stakeholders called the Housing Methodology Committee. More information about ABAG’s RHNA methodology is available at <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>.

- **Housing Element Updates.** Each jurisdiction must then adopt a Housing Element that demonstrates how it can accommodate its assigned RHNA for each income category through its zoning. HCD reviews each jurisdiction’s Housing Element for compliance with State law. Portola Valley’s Housing Element must demonstrate capacity to accommodate 253 units as further described below.

PORTOLA VALLEY’S “FAIR SHARE”

In determining a jurisdiction’s share of new housing needs, ABAG splits each jurisdiction’s allocation into four income categories:

- Very Low-Income – 0 to 50% of Area Median Income (AMI)
- Low-Income – 51 to 80% of AMI
- Moderate-Income – 81 to 120% of AMI
- Above Moderate-Income – more than 120% of AMI

The Area Median Income (AMI) in San Mateo County for a family of four is \$149,600. How this breaks down into income categories for Portola Valley is shown in Table 6-1. Where this Housing Element refers to housing that is affordable to the different income levels shown above, we mean a household spends **no more than 30% of their income on housing**.

In December 2021, ABAG identified the Town of Portola Valley’s fair share of the region’s housing needs as 253 new housing units, as shown in Table 6-2. This allocation represents a planning goal by requiring the Town to demonstrate sufficient development capacity through the identification of potential site and zoning, and not a goal for actual production of housing within the planning period.

In addition, each jurisdiction must also address the projected need of extremely low-income households, defined as households earning 30% or less of AMI. The projected extremely low-income need is assumed to be 50% of the total RHNA need for the very low-income category. As such, there is a projected need for 37 extremely low-income housing units.

TABLE 6-1: RHNA AFFORDABILITY LEVELS IN PORTOLA VALLEY

Affordability Level	Percent of Ami	Portola Valley Household Income ^a
Very-Low-Income	0 – 50% of AMI	< \$91,350
Low-income	51-80% of AMI	\$91,351 - \$146,350
Moderate-income	81-120% of AMI	\$146,351 - \$179,499
Above Moderate-Income	> 120% of AMI	> \$179,500

Note: AMI = Area Median Income, Household incomes based on San Mateo County's 2021 AMI of \$149,600 for a 4-person household.

^a Household incomes are for households/families of four (4).

Source: Town of Portola Valley.

TABLE 6-2: PORTOLA VALLEY REGIONAL HOUSING NEEDS ALLOCATION (2023-2031)

Income Category	RHNA	Percent of RHNA
Very-Low-Income (0-50% of AMI)	73	29%
Low-Income (50-80% of AMI)	42	17%
Moderate-Income (80-120% of AMI)	39	15%
Above Moderate-Income (120% or more of AMI)	99	39%
Total	253	100%

Source: Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031.

RHNA Buffer

In 2017, Senate Bill (SB) 166 was signed into law and included new “no net loss” provisions that require communities to provide an ongoing, adequate supply of land resources for housing development during the entirety of the housing element update planning period. These provisions mean communities face risks of non-compliance should a housing site be developed with non-residential uses, lower residential densities, or residential uses at affordability levels higher than anticipated by the Housing Element. To avoid non-compliance, HCD advises communities to “buffer” their assigned RHNA numbers with additional housing units ranging from at least 15% to 30% of their assigned RHNA. The Town of Portola Valley proposes a 16% buffer of 40 housing units, to ensure an ongoing, adequate supply of land resources for housing development is available through the 6th Cycle planning period (see Table 6-3 below).

TABLE 6-3: REGIONAL HOUSING NEEDS ALLOCATION BUFFER

Income Category	Target RHNA	Proposed Units With Buffer
Very Low-Income (0-50% of AMI)	73	88
Low-Income (50-80% of AMI)	42	51
Moderate-Income (80-120% of AMI)	39	47
Above Moderate-Income (120% or more of AMI)	99	107
Total	253	293

Source: Town of Portola Valley Planning & Building Department, 2022

CREDIT TOWARDS RHNA

Pursuant to HCD guidance, in addition to vacant and underutilized land resources, a community may satisfy their RHNA requirements through “alternative means” which may serve as “credits” toward their RHNA. These alternative means include the consideration of proposed, pending, or approved development projects that haven’t received a certificate of occupancy prior to the start of the 6th cycle on June 30, 2022 – the projection period for the 6th cycle housing element update. The Town of Portola Valley’s pipeline and pending projects are discussed in more detail below.

Additionally, per HCD guidance, a community may also credit the number of ADUs that are anticipated to be developed during the 6th cycle housing element planning period toward their RHNA requirements. The forecasted development of ADUs during the planning period must be based on an analysis of prior years’ building permit data and local development regulations that promote ADU development. The Town of Portola Valley’s anticipated ADU development over the course of the 2023-2031 planning period is discussed in more detail below.

PIPELINE AND PENDING PROJECTS

Residential projects that have been approved but have not received a certificate of occupancy prior to June 30, 2022, are referred to as “pipeline projects”. These projects will be developed during the 2023-2031 planning period. Similarly, pending projects are residential developments that have yet to be approved but will likely be developed during the 2023-2031 planning period. Both the pipeline and pending projects of the Town of Portola Valley are included below in Table 6-4. These two developments include:

- The approved Willow Commons residential development planned at 4388 Alpine Road will include 11 multi-family supportive housing units for individuals with intellectual developmental delays and two units for on-site staff. The 13 units will consist of 11 low-income, one moderate-, and one above moderate-income.
- The pending “Stanford Wedge” Faculty Housing development is proposed in the northeastern portion of the Town along Alpine Road will consist of 27 single-family residential units and 12 workforce housing units (six confirmed to be low-income and six anticipated to be moderate-income) to be clustered on approximately 7 acres of a 75-acre site. The remainder of the site will be undeveloped and subject to a vegetation management plan to address fire safety concerns.

TABLE 6-4: APPROVED PIPELINE UNITS AND UNITS PENDING APPROVAL

APN	Address	Site Name	Affordability Category				Total
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	
Approved Pipeline Projects							
79072120	4388 Alpine Road	Willow Commons	0	11	1	1	13
Pending Projects							
77281020	Alpine Road and Golden Oak Drive	Stanford Wedge	0	6	6	27	39
Total			0	17	7	28	52

Source: Town of Portola Valley Planning & Building Department, 2022

ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS

In addition to pipeline projects, a community may also count ADU development projected to occur during the 2023-2031 planning period towards their RHNA requirements. To do so, communities must analyze historic building permit trends, over the last several years, to accurately identify a reasonable projection of ADUs to be developed over the planning period. This analysis considers the various California State laws passed since 2017 that are intended to encourage ADU development, as well as local efforts on behalf of the Town of Portola Valley to promote ADU development.

Figure 6-1 below includes an analysis of the Town's issuance of building permits for ADUs between the years 2017 to 2021. In the year 2017, the Town issued a total of 11 ADU building permits and seven ADU building permits were issued in both 2018 and 2019. In 2020, only three ADU building permits were issued due to the Town being severely impacted by the COVID-19 pandemic and a complete department shut down except emergency building permits for several months. In 2021, ADU permitting picked up again and the Town issued 11 building permits. As of May 2022, the Town has received seven applications for ADUs and is in communication with about eight more households looking to build an ADU. During a focus group meeting for property owners interested in building an ADU or Junior ADU (JADU), over 50 people attended and provided valuable input for new policies to help incentivize and streamline the ADU and JADU process. Due to the Town's trends in ADU building permits, property owner interest, as well as several new ADU and JADU programs proposed as part of this Housing Element update to encourage development of ADUs and JADUs, the Town of Portola Valley assumes an average of 11-12 ADU/JADU building permits to be issued each year of the 6th Cycle planning period. This equates to a total of 92 dwelling units planned to be constructed over the next 8 years.

Affordability Levels of Projected ADU and JADU Development

Due to their co-location on existing residential lots, and smaller building footprints, typically ranging in size between 800 and 1,200 square feet (ADUs) and 500 square feet (JADUs), ADUs and JADUs are generally considered to serve as affordable-by-design housing options in

communities. However, due to a variety of local market factors, the level of affordability of ADU/JADU development may vary by community. The Town of Portola Valley's proposed distribution of anticipated ADU/JADU development across affordability levels is consistent with the Technical Memorandum "Affordability of Accessory Dwelling Units" issued by ABAG on September 8, 2021 and detailed below in Table 6-5. Thirty percent of anticipated ADU/JADU developments, or 28 ADUs/JADUs are anticipated to be developed as affordable to "very low-income" households, with another 28 anticipated to be developed as affordable to "low-income" households. Another 30% are anticipated to be developed as affordable to "moderate-income" households and 10%, or eight ADUs/JADUs are anticipated to be developed as affordable to "above moderate-income" households. To encourage the development of ADUs/JADUs at various affordability levels, the Town proposes programs within *Section 7, Goals, Policies, and Programs* to further encourage the development of ADUs and JADUs at various income levels. These programs are summarized below for reference as well.

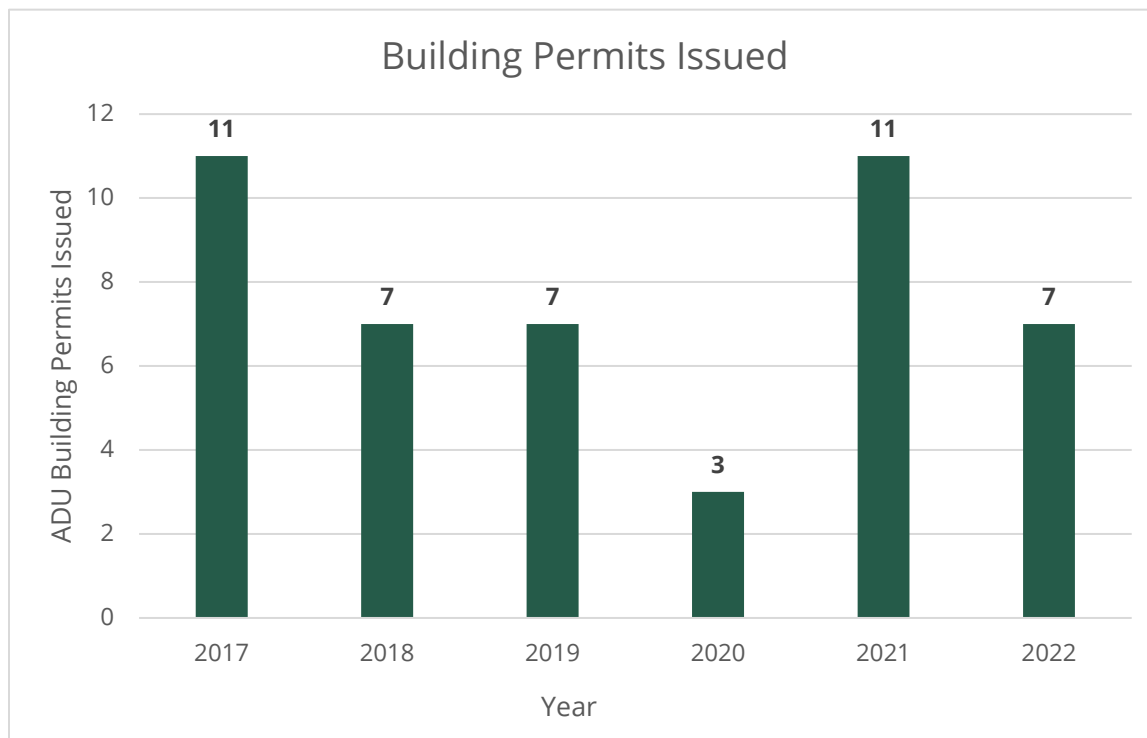


FIGURE 6-1: ADU BUILDING PERMITS ISSUED 2017-2021; ADU APPLICATIONS IN 2022

Source: Town of Portola Valley Planning & Building Department, 2022
 Note: The year 2022 represents permit applications received as of May 2022.

Proposed ADU and JADU Policies and Programs

To continue to incentivize the development of JADUs and ADUs throughout the town, at a variety of affordability levels the Town proposes the creation and adoption of various JADU and ADU policies as outlined within *Section 7, Goals, Policies, and Programs*. These programs are summarized below for reference.

- Prepare pre-approved preliminary floor plans for ADUs and JADUs that are made available to property owners. These pre-approved floor plans would only require minimal additional engineering to account for the unique topography of sites and would significantly decrease the level of effort required of property owners in designing and permitting a JADU or ADU.
- Offer direct technical assistance and streamlining through the Town’s Building Department to residents that want to make minor improvements to accommodate a JADU, such as adding an efficiency kitchen or other facilities.
- Create a new program to match low-income renters with ADU owners in Portola Valley. This program will match low-income renters who have experienced displacement from areas outside of Portola Valley, with ADU owners within Portola Valley to increase access to opportunities within the town. The Town will partner with the Human Investment Project for Housing (HIP Housing), a nonprofit organization that conducts a similar program in San Mateo County to match housing “providers” with housing “seekers.”
- Create an amnesty program for existing, unpermitted ADUs to obtain permits to legalize the ADUs during the 2023-2031 planning period. The amnesty program would provide property owners the opportunity to formally legalize existing unpermitted ADUs.
- Establish staff and consultant ADU office hours so that applicants can ask questions of subject matter experts.
- Develop and run a survey of ADU owners in Portola Valley to determine how ADUs are being used in the community and how much they are contributing to the housing stock and affordable housing.
- Develop and run a survey of ADU owners in Portola Valley to determine how ADUs are being used in the community and how much they are contributing to the housing stock and affordable housing.

RHNA CREDITS SUMMARY

A summary of the pipeline and pending projects as well as projected ADU development which can serve as “alternative means” or credits toward the Town of Portola Valley’s RHNA requirements are included below in Table 6-5. Together these credits total 144 units.

TABLE 6-5: RHNA CREDITS SUMMARY

RHNA Credit	Affordability Category				Total
	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	
Willow Commons Project	0	11	1	1	13
Stanford Wedge Project	0	6	6	27	39
ADUs/JADUs	28	28	28	8	92
Total	28	45	35	36	144

Source: Town of Portola Valley Planning & Building Department, 2022

SITE INVENTORY METHODOLOGY

Following consideration of applicable RHNA Credits as described above, the Town has identified land resources that are determined to be suitable for accommodation of the remaining portion of their RHNA requirements, inclusive of a buffer for all income categories. These suitable land resources are referred to as Adequate Sites. Consistent with Government Code Section 65583.2(a), and the community's priorities related to wildfire and geologic safety, Portola Valley's adequate sites appropriate for residential development include the following standards or characteristics:

- As a threshold matter sites with significant wildfire risk, geologic safety concerns, or evacuation constraints were screened out.
- An attempt to disperse the sites throughout town and not concentrate in a single neighborhood.
- The highest density should be located on streets with good accessibility.
- Vacant sites zoned for residential use.
- Vacant sites zoned for nonresidential use that allows residential development.
- Residentially zoned sites that are capable of being developed at a higher density, including sites owned or leased by a Town, county, or Town and county.
- Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site.
- Sites occupied by members of the Affiliated Housing Program.

In addition to the above criteria, the Town and consultant team used HCD guidance as well as trends from recent development projects to calculate the realistic capacity of adequate sites. These are described in greater detail below.

REALISTIC CAPACITY

Realistic capacity of sites identified within the Town's Housing Sites Inventory was calculated using a combination of proposed zoning, physical constraints, feasibility analysis conducted by an architectural consultant, input from an affordable housing developer, general market feasibility analyzed by 21 Elements on behalf of the Town, an economic consultant, and input from Town staff on local conditions. Since the Town has never had multifamily zoning, there is no history of what has been built in the past that can be used for comparison. Furthermore, other demographically similar communities in San Mateo County cannot be used to gauge market feasibility because there are no market-driven multifamily developments in those jurisdictions either. However, the Town recently saw the completion of a six-unit multi-family development at the Priory School through the Affiliated Housing Program, a 13-unit supportive housing project is currently in construction and a 12-unit multi-family affordable project is currently being proposed as part of a larger market-rate housing project proposed by Stanford University. Those projects demonstrate that it is realistic to develop housing that is not limited to single family.

Densities and Affordability

To make it feasible to develop housing that is affordable to very low- and low-income households, housing must be built at higher densities. HCD has published guidance that specifies the minimum residential densities deemed necessary to accommodate lower-income households. Per this guidance, which has been updated with 2020 Census data, the Town of Portola Valley is considered a jurisdiction with a “default density” of 20 dwelling units per acre. This means that sites that allow denser development of at least 20 dwelling units per acre are considered able to accommodate lower-income units. Accordingly, the Town has identified sites included within the Sites Inventory which will be rezoned to newly created zoning districts as outlined within the “Rezoning Program” subsection below. These rezonings will provide for the development of housing at default densities identified by HCD during the 2023-2031 planning period.

Site Size

Consistent with HCD guidance, sites identified within the Town’s Site Inventory to accommodate lower-income housing units, developed at a minimum of 20 dwelling units per acre are between 0.5 acres and 10 acres.

Utilities

Realistic capacity also considered the location of many housing sites in existing urbanized portions of the town, already serviced by existing utilities and infrastructure. These parts of the Town offer the presence of existing infrastructure to serve the housing sites; however, some sites may require lateral connections or expansions of existing utilities, these improvements are considered standard improvements and routine of redevelopment projects in urbanized areas. Such improvements will be done at the expense of the property owner or developers.

REZONING PROGRAM

Pursuant to Government Code Section 65583.2(c), the Town of Portola Valley will adopt three new zoning districts including 1) a new multi-family district allowing up to four dwelling units per acre, 2) a new multi-family district allowing 20 dwelling units per acre, and 3) a mixed-use district allowing residential uses up to six dwelling units per acre. Sites which are proposed to be rezoned to these new zoning designations as part of this Housing Element update are indicated within Table 6-7. The new districts and rezonings will be adopted by January 2023.

Multi-Family Zoning Districts

Two new multi-family zoning districts will be created to allow for residential development up to four dwelling units per acre and 20 dwelling units per acre, respectively. Both districts will be subject to objective design standards that will be codified in the Municipal Code including but not limited to floor area, height, setback, lighting, and landscaping. The four dwelling units per acre zoning district shall be limited to the Glen Oaks housing site. The 20 dwelling units per acre shall be applied to 4394 Alpine Road and the Ladera Church Affiliated Housing site.

Mixed-Use Zoning District

The new mixed-use zoning district will allow for mixed-use residential development up to six dwelling units per acre. Objective standards will be included in the Municipal Code including, but not limited to, floor area, height, setback, lighting, and landscaping. The standards will require at least 50% of building floor area to be a residential use and will allow for up to 100% of building floor area to be dedicated to residential uses. This zoning district shall be limited to the 4370 Alpine Road housing site.

Opt-in-Single-Family Rezoning Program

To further increase housing development, the Town is creating an Opt-in Single-Family Rezoning Program to disperse additional residential units throughout the community and provide a greater diversity of types of housing units available. To gauge interest in such a program, the Town held an “Opt-in Rezoning” focus group meeting for property owners that may be interested in voluntarily upzoning their property. After the meeting, five property owners expressed interest in the program. The Town expects the program to be viable based on this preliminary level of interest and the number of potential units that could be produced on those sites. The new program will allow single-family residential parcels 1 acre or greater to upzone to allow up to four dwelling units per acre and a maximum of four dwelling units per lot, subject to the following safety criteria:

- Accessible to two ways of ingress and egress
- Located on a slope less than 30%
- Outside of a very high fire hazard severity zone, as adopted by the Town Council
- Outside of a fault zone
- Outside of areas identified with unstable soils or at risk of landslide or liquefaction

These potentially eligible parcels range from approximately one to 3 acres in size and are broadly dispersed throughout Portola Valley’s neighborhoods. The Town has conducted a preliminary analysis of the properties meeting the criteria and is anticipating that a total of 12 residential units may be accommodated through the Town as part of the described Opt-In Rezoning Program during the 6th Cycle planning period.

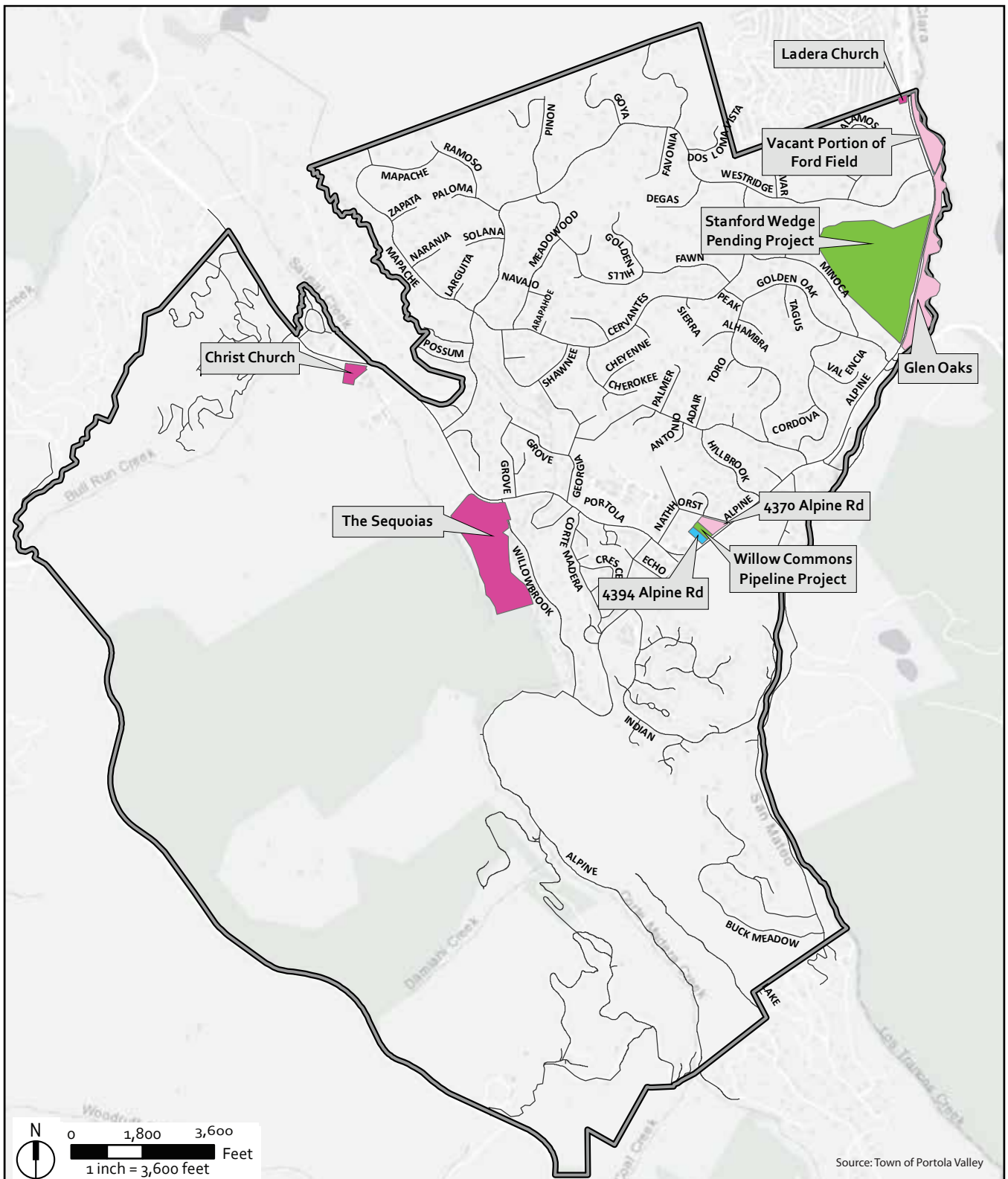
Prior to a property participating in the proposed Opt-in Rezoning Program, the site will be reviewed by the Town’s Planning Commission for program eligibility consistent with the above safety criteria, which will be further detailed in the Municipal Code (adopted by January 2023). Contingent on eligibility being determined, proposed development of these sites would then be reviewed by the Town’s Architectural and Site Control Commission (ASCC) for consistency with newly established objective design standards proposed to be adopted as part of this Housing Element update. These objective design standards will include but not be limited to, floor area, setback, height, lighting, exterior material, landscaping, and water usage standards. The Town’s newly proposed multi-family and mixed-use zoning districts, as well as the Town’s proposed Opt-In Rezoning Program will be adopted prior to January 2023.

SITES INVENTORY

Figure 6-2 below shows all adequate housing opportunity sites identified within the Town of Portola Valley as part of the 6th Cycle Housing Element update, similarly Table 6-6 below summarizes these sites according to how they will be utilized by the Town to meet its RHNA requirements. Based on pipeline and pending projects, projected ADU production, and the realistic capacity of the adequate sites inventory identified here within, the Town has capacity to accommodate 293 housing units, which is higher than the RHNA of 253. This includes a total of 88 units affordable to very low-income households, 51 units affordable to low-income households, 47 units affordable to moderate income households, and 107 units affordable to above moderate-income households.

Per HCD guidance, the Town's adequate Sites Inventory is described here in on a site-by-site basis and organized according to vacant and non-vacant land resources. It should be noted that a majority of the Town's adequate sites are non-vacant land resources as identified within this subsection. While several non-vacant sites are proposed to be eventually redeveloped with residential uses, several other non-vacant sites are proposed to retain their existing uses in addition to being developed with affiliated housing options associated with those existing uses. Affiliated housing options refer to multi-family housing developments on institutional sites intended to serve employees and staff affiliated with the institutions that own the site or other members of the Town's workforce. Due to the high-cost of living within Portola Valley, many employees of these institutional uses cannot afford to live in market-rate housing options provided within the town. Accordingly, the Town has identified these "Affiliated Housing Sites" for inclusion within the Town's 6th Cycle Housing Element update.

Inclusion of these Affiliated Housing sites within the Town's Sites Inventory is based on the Town's experienced success with their existing Affiliated Housing Program and the interest of these institutions in developing additional housing in the future. To date, the Town's Affiliated Housing program has provided for the development of a total of 13 affiliated housing units which are located at the Woodside Priory School, a private catholic college preparatory school located northwest of the intersection of Alpine Road and Portola Road in the town. Six units were recently completed, two of which are deed restricted for lower-income residents. The Affiliated Housing Program has become increasingly important to the community because it encourages people that work in Town to also live here. This diversifies the community and reduces the impacts of employees driving into town.



- Portola Valley Jurisdictional Boundary
- Pipeline and Pending Developments
- Vacant Housing Sites
- Non-Vacant Housing Sites (Not Affiliated)
- Non-Vacant Affiliated Housing Sites

Figure 6-2
Adequate Sites

TABLE 6-6: ADEQUATE SITES LAND INVENTORY

APN	Name	Acres	Existing Use	Existing General Plan	Existing Zoning	Proposed Rezoning	Assumed Density (du/ac)	Realistic Capacity				
								VLI	LI	MI	AMI	Total
VACANT SITES												
79072130	4394 Alpine Rd Housing Site	1.18	Vacant	Commercial and Research/Administrative: Local Shopping & Service	CC	Multi-Family	20	2	4	5	12	23
<i>Subtotal</i>												23
NON-VACANT SITES												
77272010	Vacant Portion of Dorothy Ford Field and Open Space Housing Site	2.48 ^a	Baseball Field (To Remain)	Neighborhood Community / Existing Park	O-A & R-E	Multi-Family	20	50	0	0	0	50
77282030	Glen Oaks Housing Site	4 ^a	Equestrian	Alpine Rd. Scenic Corridor & Greenway	O-A & R-E	Multi-Family	4	0	0	2	14	16
79072060	4370 Alpine Rd Housing Site	1.5	Office	Alpine Rd. Scenic Corridor & Greenway	O-A & R-E	Mixed-Use	6	0	0	0	9	9
<i>Subtotal</i>												75
<i>Affiliated Housing Sites</i>												
79200030	Sequoias Affiliated Housing Site	42 ^b	Multi-Family	Institution "Other"	R-E	No change	8 ^c	0	0	5	18	23
076262030	Christ Church Affiliated Housing Site	1	Church	Institution "Church"	R-E	No change	6 ^c	0	0	0	6	6
77271180	Ladera Church Affiliated Housing Site	0.5	Church	Institution "Church"	R-E	Multi-Family	20	8	2	0	0	10
<i>Subtotal</i>												39
<i>Opt-In Rezoning Program Sites</i>		>1	Single-Family Residential	Low-Medium and Low Residential	R-1, R-E	Opt-In Rezoning	4	0	0	0	12	12
Total												149

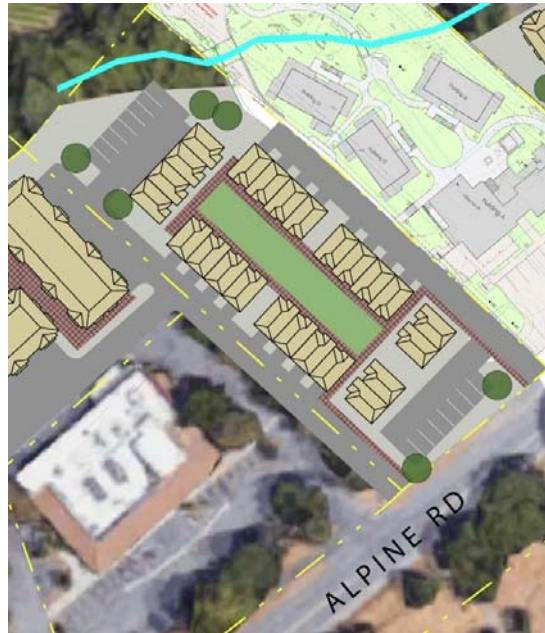
Notes: VLI = Very Low-Income, LI = Low-Income, MI = Moderate-Income, AMI = Above Moderate-Income, R-E = Residential Estate, R-1 = Single-Family Residential, A-P=Administrative Professional, O-A = Open Area, CC=Community Commercial. ^a Developable area. ^b Portion of a larger site. ^c Density to be determined by Planning Commission. Source: Town of Portola Valley, 2022.

VACANT SITES

4394 Alpine Road Housing Site



The housing site located in the Nathhorst Triangle at 4394 Alpine Road is approximately 1.18 acres and is currently vacant and consists of a grassy field. Lisa Wise Consulting prepared a preliminary concept plan for the site and estimated 23 units could be developed. This site will be rezoned with the new multi-family district that will allow 20 units to the acre.



Feasibility analysis and conceptual site plan prepared by Lisa Wise Consulting

NON-VACANT (UNDERUTILIZED) SITES

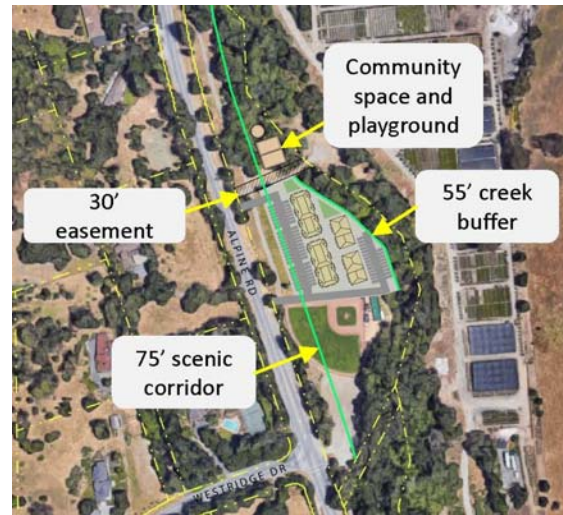
The Town's non-vacant/underutilized land resources are anticipated to accommodate a total of 75 residential units of the Town's RHNA. These non-vacant land resources are categorized into five housing sites throughout the town. As described above, several non-vacant sites are developed with existing land uses that are proposed to be eventually redeveloped with residential uses, while other non-vacant sites are proposed to be developed with affiliated housing options. Affiliated housing is often provided by institutional, non-profit, and/or religious institutions such as churches and universities, among others. The Town of Portola Valley's non-vacant land resources proposed for the future accommodation of residential development include:

Vacant Portion of Dorothy Ford Field and Open Space Housing Site

The Dorothy Ford Field and Open Space Housing Site has approximately 2.48 acres of developable area in an irregular shape and is located in the northeast corner of the town, along Alpine Road. The overall site is owned by the Town and is currently developed with a baseball field and is located adjacent to Los Trancos Creek and the Alpine Trail.

A constraints analysis for the site has been done to maintain the Town's 75-foot scenic corridor requirement and 55-foot creek setback while maintaining the existing baseball field. To determine if a multi-family development is physically possible in this area, the Town contracted with Lisa Wise Consulting to develop a conceptual site plan

which demonstrates that up to 50 units is possible on the developable portion of the site. The site could also include 7,000 square feet of community space and a playground.



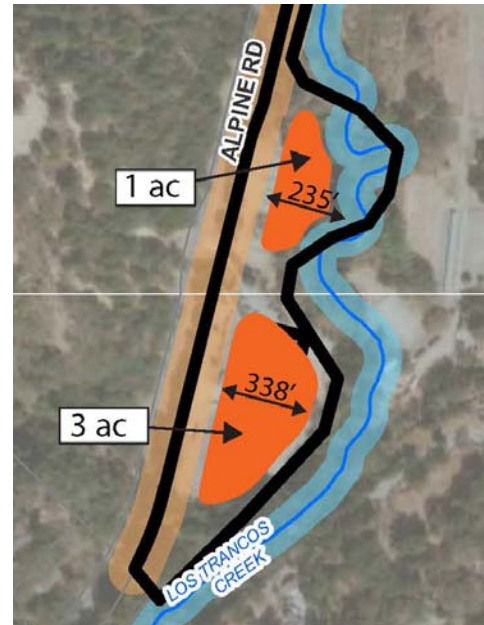
Feasibility analysis and conceptual site plan prepared by Lisa Wise Consulting

The Town is creating a new Gateway Land Use classification that will include multi-family affordable housing that will allow 20 units to the acre (of the developable portion of the site). The Dorothy Ford Field and Open Space site will be included in this new classification. As a Town-owned site, it will be offered to non-profit low-income housing developers to provide 50 very low-income units. To test the viability of this approach, the Town has spoken with Alta Housing, a non-profit agency that has built low- and moderate-income housing projects in San Mateo and Santa Clara Counties.

Alta's preliminary review shows this project would be competitive for tax credits and a project would be feasible. The latest regulations provide points for new construction Large Family housing type in Highest/High Resource areas per the 2022 California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Map. The Town plans to solicit interest from affordable housing developers to develop the site. The Town has an existing Affordable Housing Fund with over 4 million dollars that may be partially utilized to fund the project if necessary. The Town would likely ground lease the site to the housing developer at a nominal rate.

Glen Oaks Housing Site

The Glen Oaks site, owned by Stanford University, has approximately 4 acres of developable land at the corner of Alpine Road and Arastradero Road. A portion of the land is occupied by the Isola Stables at the Glen Oaks Equestrian Center with grassy open fields surrounding the Stables. The Equestrian Center is subject to a short term-term lease. Across the street from this site is the Stanford Wedge property, a 39-unit project (see pending project). Stanford has expressed interest in working with the Town to develop an appropriate project at the Glen Oaks project site. Since the primary mission of Stanford University is education, the housing units are anticipated to be for faculty/staff with an affordable housing component. This site will be rezoned with a new multi-family district that will allow up to four units to the acre on the developable portions of the site. The Site Inventory estimates 16 units could be developed based on a feasibility



Developable area based on feasibility analysis.

analysis showing approximately 4 acres of developable area. The feasibility analysis evaluated the most restrictive scenario by keeping development outside of a 75-foot scenic corridor setback (in orange) and 55-foot creek setback (in blue). The width of each area (235 and 338 feet, respectively) was also considered wide enough to accommodate future development.

4370 Alpine Road Housing Site



The second housing site in the Nathorst Triangle located at 4370 Alpine Road is approximately 1.5 acres and is currently developed with underutilized office uses. Lisa Wise Consulting prepared a preliminary concept

Feasibility analysis and conceptual site plan prepared by Lisa Wise Consulting

plan demonstrating that 20 units per acre would be feasible with complete redevelopment of

the site. The Ad Hoc Housing Element Committee found that this site would be appropriate with six units per acre and rezoned with the new mixed-use district. The Site Inventory estimates nine townhome units could be developed, which is well substantiated by the architectural feasibility diagram above. The northwest portion of the site includes a former tennis court and parking area that are not being used. The property owner has also expressed interest in redeveloping the property in a meeting with staff. The development potential of the site is greatly enhanced through inclusion as a housing site; the property owner has significant financial incentive to develop residential units.

Affiliated Housing Sites

The following housing sites were identified for inclusion within the Town's Site Inventory as affiliated housing sites, developed in accordance with the Town of Portola Valley's existing Affiliated Housing Program as described within this section, and *Section 7, Goals, Policies, and Programs*. The Town's Affiliated Housing Program was created in the 1990's and allows for the development of affordable, multi-family housing on institutional sites.

The Sequoias Affiliated Housing Site

The Sequoias Affiliated Housing Site is an approximately 42-acre parcel located just south of Portola Road in the central portion of the town. The northern portion of the site is presently developed as The Sequoias, a buy-in retirement community operated by Sequoia Living. The project site is currently designated Institution "Other" and zoned Residential Estate (R-E). The site is near the San Andreas Fault and includes potentially unstable soils. The Sequoias has operated in Portola Valley since prior to incorporation in 1964.

The Sequoias is in the early phases of exploring the development potential of the site. They have performed preliminary geotechnical investigations of the site to analyze whether additional development would be possible and where on the site it should be located. Their initial findings indicate that there are two potential locations for additional housing. The Town Geologist concurs with their initial analysis. Further design level geotechnical analysis will be required prior to approval by the Town. The Sites Inventory includes 18 market rate units for seniors and five workforce housing units to serve their employees, as proposed by The Sequoias in conversation with the Town. The workforce units are expected to reduce commutes for employees that travel great distances to work and help with emergency response capacity. Given the physical constraints of the site, The Sequoias may request relaxation of the setback requirement to accommodate future development. The Ad Hoc Housing Element Committee expressed support for a reasonable waiver of the setback to accommodate the workforce housing units.

The Sequoias is also looking to the future and the potential need to upgrade the site infrastructure and adapt with the changing needs of residents. The Town will continue to communicate with The Sequoias on their needs and how additional housing can be safely incorporated into the site.

Christ Church Affiliated Housing Site

Christ Church is a new member of the Affiliated Housing Program. The site is an approximately 2.9-acre parcel located at 815 Portola Road in the northern central portion of the town. The project site is currently designated “Institution “Church” and zoned Residential Estate (R-E). The site is presently developed with Christ Church, a preschool and parking lot. Church leadership has expressed an interest in joining the Affiliated Housing Program for several years. The approximately 1-acre parking lot behind the Church is the potential location for



a housing development. Six units are included in the housing inventory. Preliminary analysis by staff indicates that the development of six townhomes is feasible at this location.

Ladera Community Church Affiliated Housing Site

The Town Council previously voted to include Ladera Community Church in the Affiliated Housing Program at their request; this Housing Element formalizes that action. Church representatives have expressed interest in developing housing in town for several years. The site is an approximately 0.5-acre parcel located west of Alpine Road, in the northeastern portion of the town. The project site is currently designated Institution “Church” and zoned Residential Estate (R-E). The church facility



itself is located on the immediately adjacent property, which is located outside the Town limits. The development site is currently vacant, with only a small portion used as children’s play area for the church. It will be rezoned to the new multi-family zoning district to allow 20 dwelling units per acre. The owner has expressed interest in developing housing on the site both publicly at Ad Hoc Housing Element Committee meetings as well as with Town staff.

SITES SUMMARY

State Housing Element Law requires local governments to prepare an inventory of land suitable for residential development, including vacant sites, sites having the potential for redevelopment, and an analysis of the relationship of zoning, public facilities, and services to these sites. The inventory of land suitable for residential development must be used to identify sites that can be developed for housing within the planning period.

Table 6-7 summarizes the Town of Portola Valley’s capacity to meet RHNA goals.

TABLE 6-7: HOUSING SITES SUMMARY

	Very Low- Income	Low- Income	Moderate- Income	Above Moderate- Income	Total
Land Resources					
Pipeline & Pending Projects	0	17	7	28	52
Projected ADU Development	28	28	28	8	92
Vacant Sites					
Dorothy Ford Field and Open Space Housing Site	50	0	0	0	50
4394 Alpine Rd Housing Site	2	4	5	12	23
Non-Vacant Sites					
Glen Oaks Housing Site	0	0	2	14	16
4370 Alpine Rd Housing Site	0	0	0	9	9
Affiliated Housing Sites					
Sequoias Affiliated Housing Site	0	0	5	18	23
Christ Church Affiliated Housing Site	0	0	0	6	6
Ladera Church Affiliated Housing Site	8	2	0	0	10
Opt-in Rezoning Program Sites					
	0	0	0	12	12
Total Unit Potential	88	51	47	107	293
2023-2031 RHNA	73	42	39	99	253
Extra Capacity	15	9	8	8	40
% Buffer Provided	21%	21%	21%	8%	16%

Source: Town of Portola Valley, 2022.

SECTION 7. GOALS, POLICIES, AND PROGRAMS

California Government Code Section 65583(b)(1) requires the Housing Element to contain “a statement of goals, quantified objectives, and policies relative to the maintenance, preservation, and development of housing.” The policies and programs directly address the housing needs and constraints identified and analyzed in this Housing Element and are based on State law. Five goals are presented below pursuant to HCD requirements for the 6th Cycle.

As required by law, quantified objectives have been developed for housing production, rehabilitation, and conservation. These are presented at the end of this section. The quantified objectives provide metrics for evaluating the effectiveness of the Element.

Three types of statements are included in this section: goals, policies, and programs. Goals express broad, long-term statements for desired outcomes. Each goal is followed by multiple policies. The policies are intended to guide decision makers, staff, and other Town representatives in the day-to-day operations of the Town. They are statements that describe the Town’s position on specific housing issues. Some policies, but not all, require specific programs to ensure their effective implementation.

GOAL 1: Expand the types of housing allowed in the community. Facilitate the development of a range of housing types to meet the Town’s fair share of regional housing needs and accommodate current and new Portola Valley residents of diverse ages, races, and socioeconomic backgrounds.

Policy 1: Allow for new housing through new General Plan land use classifications for multi-family and mixed-use districts, a voluntary upzoning program, and other programs.

Program 1-1: Create a new “Gateway” land use classification in the General Plan that allows affordable housing, recreation and open space. Create two new zoning districts that allow for multi-family housing at four du/acre and 20 du/acre to provide for development of housing at lower-income levels.

- Include the Dorothy Ford Field and Open Space site as well as the Ladera Church site in the new “Gateway” land use classification.
- Create multi-family development standards in the new zoning district to allow for greater intensity, including floor area, height limits, minimum lot or unit sizes, and allowable dwelling units per acre.
- Consider establishing form-based codes and by-right approvals for the new zoning district.

Quantified Objective/Metric: Construct 99 units.

Time Frame: January 2031

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 1-2: Create a new zoning district that allows for mixed-use residential development with up to six du/ac and would allow for up to 100% of building floor area to be dedicated to residential uses.

- Create mixed-use development standards in the new zoning district to allow for greater intensity, including floor area, height limits, minimum lot or unit sizes, and allowable dwelling units per acre.
- Consider establishing form-based codes and by-right approvals for the new zoning district.

Quantified Objective/Metric: Construct nine units.

Time Frame: January 2031

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 1-3: Create a new voluntary upzoning program that allows property owners with sites one acre or greater to develop up to four dwelling units per acre, assuming they meet the following safety criteria:

- Accessible to two ways of ingress and egress.
- Located on a slope less than 30%.
- Outside of a very high fire hazard severity zone.
- Outside of a fault zone.
- Outside of areas identified with unstable soils or at risk of landslide or liquefaction.

Interested property owners would be required to go before Planning Commission to demonstrate all safety criteria would be met. Subsequently, the Architectural Site Control Commission (ASCC) would review the planning application for compliance with a set of objective design standards.

Quantified Objective/Metric: Construct 12 units.

Time Frame: January 2031

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 1-4: Currently the Affiliated Housing program is implemented through the Housing Element. With this update, the Municipal Code will be updated to further incentivize use of this program to provide affordable workforce housing and to establish the parameters and process for the Affiliated Housing program, including development standards and affordability requirements.

Quantified Objective/Metric: Construct 29 units.

Time Frame: January 2031

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 1-5: Explore co-housing as a means to encourage a broader range of residents to the community.

Quantified Objective/Metric: Identify organizations that support co-housing. Meet with them every two years to assess co-housing options or other programs to promote development of housing for lower incomes.

Time Frame: Initiate by June 2023 and meet every two years throughout planning period.

Responsible Agency: Planning & Building Department

Financing Source: General Fund

Policy 2: Create a well-managed affordable housing program that preserves affordability in perpetuity.

Program 2-1: Amend the Municipal Code to establish inclusionary housing requirements for new multi-family housing developments.

Quantified Objective/Metric: Adopt code amendment for inclusionary requirements.

Time Frame: June 2024

Responsible Agency: Town Council

Financing Source: General Fund

Program 2-2: Develop a program to manage new affordable housing units in the town. Consider including the following:

- Consider maintain affordability restrictions for 99 years or in perpetuity.
- Consider prioritizing affordable housing for residents, former residents or those who work, or used to work in the town.
- Use a small percentage of a future housing trust fund to pay for housing staffing.
- Consider joining with other cities in San Mateo County to share qualified housing staff to support the housing program.

Quantified Objective/Metric: Coordinate with other San Mateo County cities to establish a shared housing staff person or identify a third party affordable housing resource by July 2023.

Time Frame: Initiate by June 2023 and implement program by December 2023.

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund and Affordable Housing Trust Fund

Policy 3: Develop housing on town or non-profit owned parcels where feasible.

Program 3-1: Initiate a site planning process for the sites in the new “Gateway” land use classification to make the most efficient use of the property

and preserve open space. Pursue an affordable housing project on the Dorothy Ford Field and Open Space site in partnership with an affordable housing developer.

- Comply with provisions of the Surplus Land Act (Assembly Bill 1486- Ting, 2019).
- Consider improvements to the baseball field as part of the site planning process.
- Consider collaboration with Ladera Church to integrate their site into the Town’s affordable housing project.

Quantified Objective/Metric: Begin site planning process in January 2024. Issue Request for Proposals to affordable housing developers by September 2024. Develop 50 very low-income units.

Time Frame: Issue RFP by September 2024.

Responsible Agency: Planning & Building Department

Financing Source: General Fund and Affordable Housing Trust Fund

Program 3-2: Provide technical assistance to nonprofits/religious institutions to develop their sites with affordable housing.

Quantified Objective/Metric: Provide monthly office hours for technical assistance starting June 2023. Construct 16 units by end of planning period.

Time Frame: Initiate by June 2023. Construct units by January 2031.

Responsible Agency: Planning & Building Department

Financing Source: General Fund

GOAL 2: Elimination of Government Constraints. Removal of governmental policies or regulations that unnecessarily constrain the development, improvement, or conservation of market-rate or affordable housing.

Policy 4: Revise standards and approval process to reduce cost and uncertainty for affordable housing and lower cost market rate housing.

Program 4-1: Create new parking requirements for affordable housing based on best practices and local conditions.

Quantified Objective/Metric: Adopt code amendments.

Time Frame: January 2024

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 4-2: Provide additional flexibility on development standards for affordable housing through State Density Bonus Law or the Affiliated Housing program.

Quantified Objective/Metric: Annual assessment for consistency and opportunities to expand flexibility.

Time Frame: Ongoing

Responsible Agency: Planning & Building Department

Financing Source: General Fund

Program 4-3: Establish a clear approval and permitting process for modular and manufactured homes.

Quantified Objective/Metric: Adopt code amendments.

Time Frame: June 2024

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 4-4: Establish clear zoning regulations and objective standards (pursuant to Senate Bill 330) for new multi-family development.

Quantified Objective/Metric: N/A

Time Frame: January 2023

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Policy 5: Improve the development review process to reduce uncertainty and encourage development that fits with the Town's objective standards while preserving rural character.

Program 5-1: Review and update Municipal Code standards so that they are more understandable and create handouts in plain language.

Quantified Objective/Metric: Adopt code amendments and make revised handouts available on the Town's website and at the Town Hall and library.

Time Frame: Evaluate code and amend by December 2023.

Responsible Agency: Planning & Building Department

Financing Source: General Fund

Program 5-2: Review use of consultants, staffing pattern, and fee schedules for ways to improve efficiency.

Quantified Objective/Metric: Evaluate annually and determine if changes are needed. Provide summary report to Town Council as part of budget process.

Time Frame: Ongoing

Responsible Agency: Planning & Building Department

Financing Source: General Fund

GOAL 3: Resilient Housing. Manage wildfire vulnerability through design and policy strategies.

Policy 6: Continue to refine fire resistant building standards and land use policies to ensure they utilize the most up to date science in preparation for wildfire resiliency.

Program 6-1: As part of the regular three-year cycle to update the building code, evaluate the code and include latest best practices for fire resiliency in collaboration with Woodside Fire Protection District.

Quantified Objective/Metric: Adopt code amendments as needed.
Time Frame: Evaluate code evaluated and incorporate best practices every three years.
Responsible Agency: Planning & Building Department and Town Council
Financing Source: General Fund

- Program 6-2: Update the Town’s landscaping regulations and guidelines with science-based best practices with respect to fire safety and water usage.
Quantified Objective/Metric: Adopt code amendments.
Time Frame: Regulations and guidelines evaluated by September 2023. Best practices incorporated by June 2024.
Responsible Agency: Conservation Committee, Planning & Building Department and Town Council
Financing Source: General Fund
- Program 6-3: Consider adding supportive programs to assist households with vegetation management.
Quantified Objective/Metric: Consider establishing incentives or other resources for vegetation management and disposal for property owners.
Time Frame: Determine if incentive program will be established by June 2025.
Responsible Agency: Planning & Building Department and Town Council
Financing Source: General Fund
- Program 6-4: Review and adopt, as appropriate, fire hazard maps developed by the Woodside Fire Protection District and/or CalFire. Once new fire hazard maps are available, reevaluate sites to determine if any new sites are needed or if new fire prevention measures are needed.
Quantified Objective/Metric: Consider adoption of code amendments.
Time Frame: Adoption of Safety Element policies by January 2023. Consider code amendments when maps are available.
Responsible Agency: Planning & Building Department and Town Council in coordination with Woodside Fire Protection District
Financing Source: General Fund
- Program 6-5: Once new fire hazard maps are available from Woodside Fire Protection District and/or CalFire, evaluate ADU and Senate Bill 9 ordinances to determine if any new fire prevention measures are needed.
Quantified Objective/Metric: Adopt code amendments.
Time Frame: Analysis conducted within 6 months of maps being available and code amendments adopted 3 months after that.
Responsible Agency: Planning & Building Department
Financing Source: General Fund

Program 6-6: Work with local fire officials to educate homeowners and landlords through community meetings, mailers, and participation in community events on how to reduce fire risk to structures and landscaping as wildfire risk continues to increase due to climate change.

Quantified Objective/Metric: Hold two community events annually, publish tips quarterly, and send mailers to all households once annually.

Time Frame: Ongoing

Responsible Agency: Wildfire Preparedness Committee and Town Manger in Coordination with Woodside Fire Protection District

Financing Source: General Fund

Program 6-7: The Town has had a number of regulations that encourage energy conservation for years. These include permitting solar installations, utilizing subdivision regulations that protect solar access, and supporting energy efficient design. In addition, most new development is clustered, which reduces impacts on the land. The Town also requires native landscaping, which reduces the need for both water and energy. All of these policies and regulations will continue.

Quantified Objective/Metric: Continue existing green and energy conservation measures, revise them when necessary, and implement new programs in accordance with the Sustainability Element and the town's future Climate Action Plan.

Time Frame: Ongoing

Responsible Agency: Planning & Building Department

Financing Source: General Fund

GOAL 4: Affirmatively Furthering Fair Housing. Promote equal opportunity for all residents to reside in the housing of their choice regardless of their special characteristics as protected under State and Federal fair housing law.

Policy 7: Promote ADU/JADU construction and affordability and encourage programs that would increase the diversity of ADU occupants.

Program 7-1: Improve public information on the ADU application and permit process so it is clear and comprehensive. Create new informational materials on JADUs, recognizing their benefits related to affordability, use of existing building areas, and environmental benefits. Track ADUs and JADUs separately to help analyze how well each program is working.

Quantified Objective/Metric: Construct 92 ADU/JADU dwelling units during the planning period.

Time Frame: Make informational packets available by June 2023.

Responsible Agency: Planning & Building Department

Financing Source: General Fund

- Program 7-2: Create an amnesty program for existing, unpermitted ADUs to obtain permits to legalize the ADUs during the 2023-2031 planning period. The amnesty program would provide property owners the opportunity to formally legalize existing unpermitted ADUs.
Quantified Objective/Metric: Permit 15 existing dwelling units during the planning period.
Time Frame: Establish amnesty program by December 2023.
Responsible Agency: Planning & Building Department
Financing Source: General Fund
- Program 7-3: Provide direct assistance from the Building Division for property owners interested in making minor changes to accommodate a JADU.
Quantified Objective/Metric: Construct 92 dwelling units during the planning period.
Time Frame: June 2023
Responsible Agency: Planning & Building Department
Financing Source: General Fund
- Program 7-4: Establish staff and consultant ADU office hours so that applicants can ask questions of subject matter experts.
Quantified Objective/Metric: Construct 92 dwelling units during the planning period.
Time Frame: Initiate office hours by June 2023.
Responsible Agency: Town Staff, Town Geologist, Engineering Consultant
Financing Source: General Fund
- Program 7-5: Develop and run a survey of ADU owners in Portola Valley to determine how ADUs are being used in the community and how much they are contributing to the housing stock and affordable housing.
Quantified Objective/Metric: Continue to update ADU database for the Town. Survey all property owners with ADUs/JADUs.
Time Frame: Conduct survey in 2023, 2026 and 2030.
Responsible Agency: Planning & Building Department
Financing Source: General Fund
- Program 7-6: Develop an affordable ADU rental program that matches low-income tenants who have experienced displacement from areas outside of Portola Valley due to increasing rents with Portola Valley ADU owners willing to rent ADUs at below market rates.
- Assess every two years if the number of very low- and low-income ADUs is meeting the Town's 6th cycle RHNA goals. If not, provide the following incentives:
- Provide incentives to homeowners to rent to Housing Choice Voucher Program (previously Section 8) and low-income households (like waiving fees or offering another financial incentive).

Quantified Objective/Metric: Reach out to HIP Housing to match displaced tenants located outside of Portola Valley. Develop 28 ADUs as affordable to “very low-income” households and another 28 as affordable to “low-income” households. Assess ADU/JADU production every two years. If not meeting RHNA goals, provide additional incentives.

Time Frame: Develop program by June 2023. Assess ADU production every two years beginning in 2024.

Responsible Agency: Town staff

Financing Source: Affordable Housing Trust Fund

Program 7-7: Prepare pre-approved preliminary floor plans for ADUs and JADUs that are made available to property owners. These pre-approved floor plans would only require minimal additional engineering to account for the unique topography of sites and would significantly decrease the level of effort required of property owners in designing and permitting a JADU or ADU.

Assess every two years if ADU and JADU production is meeting the Town’s 6th cycle RHNA goals. If not, offer expedited plan check for ADU and JADU applications and organize a meeting with property owners that have constructed ADUs and interested property owners to understand the challenges and provide additional resources, as feasible to encourage ADU/JADU applications.

Quantified Objective/Metric: Establish pre-approved ADU and JADU floor plans. Develop 28 ADUs affordable to “moderate-income” households and 8 ADUs to “above moderate-income” households. Assess ADU/JADU production every two years. If not meeting RHNA goals, provide expedited plan check and meet with property owners two times per year.

Time Frame: Establish floor plans by December 2023. Assess ADU/JADU production every two years beginning in 2024.

Responsible Agency: Town staff

Financing Source: Affordable Housing Trust Fund

Policy 8: Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale or rental of housing.

Program 8-1: To comply with State law (SB 520), the Town adopted written Reasonable Accommodation Procedures within Chapter 18.11 of the Town’s Code of Ordinances. The Town will continue to analyze existing land use controls, building codes, and permit and processing procedures to determine constraints they impose on the development, maintenance, and improvement of housing for persons with disabilities. The Town hands out informational brochures and includes information on the Town’s website to inform residents of the Reasonable Accommodation Procedures.

Quantified Objective/Metric: Evaluate regulations every 3 years and determine if changes are needed.

Time Frame: Ongoing

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 8-2: Due to clarifications of California law relative to transitional and supportive housing, the Town’s municipal code needs to be amended so that it is fully compliant. In order to comply, the new multi-family and mixed-use zoning districts need to allow supportive housing by-right in zones where multi-family and mixed uses are permitted, pursuant to Government Code Section 65651 (SB 745 and AB 2162).

Quantified Objective/Metric: N/A

Time Frame: December 2022

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 8-3: Update the Municipal Code to comply with State law to allow a Low Barrier Navigation Center by-right in zones where mixed uses are permitted, pursuant to Government Code Section 65660 (SB 48 (2019)).

Quantified Objective/Metric: Adopt code amendment.

Time Frame: Complete rezoning by 3 years and 120 days from January 1, 2023.

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 8-4: Incentivize developers through development standards concessions or fee waivers/reductions to increase the number of accessible units beyond the federal requirement of 5% for subsidized developments.

Quantified Objective/Metric: Increase accessible units beyond 5% for subsidized developments.

Time Frame: Incentives developed by January 2024.

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 8-5: Rezone properties in Town to allow multi-family housing with a range of affordability levels and deed restrictions to ensure affordability over time. Affirmatively market the housing to households that are under-represented in Town including Black and Hispanic households.

Quantified Objective/Metric: Adopt code amendments.

Time Frame: Complete rezoning by 3 years and 120 days from January 31, 2023. Complete marketing materials to be sent at time of project approval.

Responsible Agency: Planning & Building Department and Town Council

Financing Source: General Fund

Program 8-6: Through collaboration with local service providers, convene a discussion of populations that are experiencing comparatively high rates of cost burden to discuss solutions for relief. Consider a rental assistance program tailored to extremely high cost-burdened residents. This may be in coordination with ADU/JADU programs. Include Black, Indigenous and people of color in these conversations.
Quantified Objective/Metric: Decrease cost burden in Portola Valley.
Time Frame: Convene discussion by June 2024. Consider rental assistance program by December 2024.

Responsible Agency: Town Staff and Race and Equity Committee

Financing Source: General Fund

Program 8-7: Collaborate with other cities/towns and Project Sentinel, or another similar organization, to perform fair housing training for property owners, real estate agents, and tenants across the region. The training would include information on reasonable accommodation and source of income discrimination, as well as other fair housing information with emphasis on certain topics driven by housing complaint data and information from stakeholders. Participation in fair housing training will be required for approval of landlords' business licenses. Focus enforcement efforts on race-based discrimination and reasonable accommodations.

Quantified Objective/Metric: Establish a list of property owners and real estate agents connected with the lease of multifamily housing and ADUs/JADUs. Provide written materials annually. Conduct two workshops.

Time Frame: Establish list by December 2023. Issue written materials annually thereafter. Conduct two workshops by 2030.

Responsible Agency: Town Staff and Race and Equity Committee

Financing Source: General Fund

Program 8-8: Create a webpage specific to fair housing including resources for residents who feel they have experienced discrimination, information about filing fair housing complaints with HCD or HUD, and information about protected classes under the Fair Housing Act.
Quantified Objective/Metric: Increase participants in fair housing programs.

Time Frame: Establish webpage by December 2023

Responsible Agency: Town Staff

Financing Source: General Fund

PROGRAM IMPLEMENTATION MATRIX

Table 7-1 includes the implementation timing for each proposed program.

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
GOAL 1: Expand the types of housing allowed in the community.						
Policy 1: Allow for new housing through new General Plan land use classifications for multi-family and mixed-use districts, a voluntary upzoning program, and other programs.						
1-1: Create a new "Gateway" land use classification in the General Plan that allows affordable housing, recreation and open space. Create two new zoning districts that allows for multi-family housing at four du/acre and 20 du/acre to provide for development of housing at lower-income levels. <ul style="list-style-type: none"> Include the Dorothy Ford Field and Open Space site as well as the Ladera Church site in the new "Gateway" land use classification. Create multi-family development standards in the new zoning district to allow for greater intensity, including floor area, height limits, minimum lot or unit sizes, and allowable dwelling units per acre. Consider establishing form-based codes and by-right approvals for the new zoning district. 	Amend Land Use Element and Zoning Code					Construct 99 units by January 2031
1-2: Create a new zoning district that allows for mixed-use development with up to six du/ac and would allow for up to 100% of building floor area to be dedicated to residential uses. <ul style="list-style-type: none"> Create mixed-use development standards in the new zoning district to allow for greater intensity, including floor area, height limits, minimum lot or unit sizes, and allowable dwelling units per acre. Consider establishing form-based codes and by-right approvals for the new zoning district. 	Amend Land Use Element and Zoning Code					Construct nine units by January 2031
1-3: Create a new voluntary upzoning program that allows property owners with sites one acre or greater to develop up to four dwelling units per acre, assuming they meet the following safety criteria: <ul style="list-style-type: none"> Accessible to two ways of ingress and egress. Located on a slope less than 30%. Outside of a very high fire hazard severity zone. Outside of a fault zone. Outside of areas identified with unstable soils or at risk of landslide or liquefaction. 						Construct 12 units by January 2031

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
Interested property owners would be required to go before Planning Commission to demonstrate all safety criteria would be met. Subsequently, the Architectural Site Control Commission (ASCC) would review the planning application for compliance with a set of objective design standards.						
1-4: Currently the Affiliated Housing program is implemented through the Housing Element. With this update, the Municipal Code will be updated to further incentivize use of this program to provide affordable workforce housing and to establish the parameters and process for the Affiliated Housing program, including development standards and affordability requirements.						Construct 29 units by January 2031
1-5: Explore co-housing as a means to encourage a broader range of residents to the community.		June (Initiate)				Meet annually
Policy 2: Create a well-managed affordable housing program that preserves affordability in perpetuity.						
2-1: Amend the Municipal Code to establish inclusionary housing requirements for new multi-family housing developments.			June			
2-2: Develop a program to manage new affordable housing units in the town. Consider including the following: <ul style="list-style-type: none"> ▪ Consider maintaining affordability restrictions for 99 years or in perpetuity. ▪ Consider prioritizing affordable housing for residents, former residents or those who work, or used to work in the town. ▪ Use a small percentage of a future housing trust fund to pay for housing staffing. ▪ Consider joining with other cities in San Mateo County to share qualified housing staff to support the housing program. 		June (Initiate) December (Implement)				
Policy 3: Develop housing on town or non-profit owned parcels where feasible.						
3-1: Initiate a site planning process for the sites in the new “Gateway” land use classification to make the most efficient use of the property and preserve open space. Pursue an affordable housing project on the Dorothy Ford Field and Open Space site in partnership with an affordable housing developer.				September (Issue RFP)		

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
<ul style="list-style-type: none"> Consider improvements to the baseball field as part of the site planning process. Consider collaboration with Ladera Church to integrate their site into the Town's affordable housing project. Comply with provisions of the Surplus Land Act (Assembly Bill 1486- Ting, 2019) 						
3-2: Provide technical assistance to nonprofits/religious institutions to develop their sites with affordable housing.		June (Initiate)				Construct by January 2031
GOAL 2: Elimination of Government Constraints						
Policy 4: Revise standards and approval process to reduce cost and uncertainty for affordable housing and lower cost market rate housing.						
4-1: Create new parking requirements for affordable housing based on best practices and local conditions.			January			
4-2: Provide additional flexibility on development standards for affordable housing through State Density Bonus Law or the Affiliated Housing program.						Ongoing
4-3: Establish a clear approval and permitting process for modular and manufactured homes.			June			
4-4: Establish clear zoning regulations and objective standards (pursuant to Senate Bill 330) for new multi-family development.		January				
Policy 5: Improve the development review process to reduce uncertainty and encourage development that fits with the Town's objective standards while preserving rural character.						
5-1: Review and update Municipal Code standards so that they are more understandable and create handouts in plain language.		December				
5-2: Review use of consultants, staffing pattern, and fee schedules for ways to improve efficiency.						Ongoing- Annual with Budget process
GOAL 3: Resilient Housing						
Policy 6: Continue to refine fire resistant building standards and land use policies to ensure they utilize the most up to date science in preparation for wildfire resiliency.						

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
6-1: As part of the regular three-year cycle to update the building code, evaluate the code and include latest best practices for fire resiliency in collaboration with Woodside Fire Protection District.						Evaluate code and incorporate best practices every three years.
6-2: Update the Town’s landscaping regulations and guidelines with science-based best practices with respect to fire safety and water usage.		September (Evaluate) June (Best practices)				
6-3: Consider adding supportive programs to assist households with vegetation management.			June			
6-4: Adopt fire hazard maps developed by the Woodside Fire Protection District and/or CalFire. Once new fire hazard maps are available, reevaluate sites to determine if any new sites are needed or if new fire prevention measures are needed.		January				Adopt code amendments when maps are available
6-5: Once new fire hazard maps are available from Woodside Fire Protection District and/or CalFire, evaluate ADU and Senate Bill 9 ordinances to determine if any new fire prevention measures are needed.			Analysis conducted within 6 months of maps being available and code amendments adopted 3 months after that.			
6-6: Work with local fire officials to educate homeowners and landlords through community meetings, mailers, and participation in community events on how to reduce fire risk to structures and landscaping as wildfire risk continues to increase due to climate change.						Ongoing
6-7: The Town has had a number of regulations that encourage energy conservation for years. These include permitting solar installations, utilizing subdivision regulations that protect solar access, and supporting energy efficient						Ongoing

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
design. In addition, most new development is clustered, which reduces impacts on the land. The Town also requires native landscaping, which reduces the need for both water and energy. All of these policies and regulations will continue.						
GOAL 4: Affirmatively Furthering Fair Housing						
Policy 7: Promote ADU/JADU construction and affordability and encourage programs that would increase the diversity of ADU occupants.						
7-1: Improve public information on the ADU application and permit process so it is clear and comprehensive. Create new informational materials on JADUs, recognizing their benefits related to affordability, use of existing building areas, and environmental benefits. Track ADUs and JADUs separately to help analyze how well each program is working.		June				
7-2: Create an amnesty program for existing, unpermitted ADUs to obtain permits to legalize the ADUs during the 2023-2031 planning period. The amnesty program would provide property owners the opportunity to formally legalize existing unpermitted ADUs.		December				
7-3: Provide direct assistance from the Building Division for property owners interested in making minor changes to accommodate a JADU.		June				
7-4: Establish staff and consultant ADU office hours so that applicants can ask questions of subject matter experts.		June				
7-5: Develop and run a survey of ADU owners in Portola Valley to determine how ADUs are being used in the community and how much they are contributing to the housing stock and affordable housing.		2023			2026	2030
7-6: Develop an affordable ADU rental program that matches low-income tenants who have experienced displacement from areas outside of Portola Valley due to increasing rents with Portola Valley ADU owners willing to rent ADUs at below market rates. Assess every two years if the number of very low- and low-income ADUs is meeting the Town's 6 th cycle RHNA goals. If not, provide the following incentives: <ul style="list-style-type: none"> Provide incentives to homeowners to rent to Housing Choice Voucher Program (previously Section 8) and low-income households (like waiving impact fees or offering another financial incentive). 		June (Initiate)	June (Assess)		June (Assess)	June 2028 and 2030 (Assess)

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
<p>7-7: Prepare pre-approved preliminary floor plans for ADUs and JADUs that are made available to property owners. These pre-approved floor plans would only require minimal additional engineering to account for the unique topography of sites and would significantly decrease the level of effort required of property owners in designing and permitting a JADU or ADU. Assess every two years if ADU and JADU production is meeting the Town's 6th cycle RHNA goals. If not, offer expedited plan check for ADU and JADU applications and organize a meeting with property owners that have constructed ADUs and interested property owners to understand the challenges and provide additional resources, as feasible.</p>		December (Initiate)	June (Assess)		June (Assess)	June 2028 and 2030 (Assess)
<p>Policy 8: Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale or rental of housing.</p>						
<p>8-1: To comply with State law (SB 520), the Town adopted written Reasonable Accommodation Procedures within Chapter 18.11 of the Town's Code of Ordinances. The Town will continue to analyze existing land use controls, building codes, and permit and processing procedures to determine constraints they impose on the development, maintenance, and improvement of housing for persons with disabilities. The Town hands out informational brochures and includes information on the Town's website to inform residents of the Reasonable Accommodation Procedures.</p>						<p>Evaluate regulations every 3 years and determine if changes are needed</p>
<p>8-2: Due to clarifications of California law relative to transitional and supportive housing, the Town's municipal code needs to be amended so that it is fully compliant. In order to comply, the new multi-family and mixed-use zoning districts need to allow supportive housing by-right in zones where multi-family and mixed uses are permitted, pursuant to Government Code Section 65651 (SB 745 and AB 2162).</p>	<p>Will be complete in December 2022, prior to adoption</p>					
<p>8-3: Update the Municipal Code to comply with State law to allow a Low Barrier Navigation Center by-right in zones where mixed uses are permitted, pursuant to Government Code Section 65660 (SB 48 (2019)).</p>					June	
<p>8-4: Incentivize developers through development standards concessions or fee waivers/reductions to increase the number of accessible units beyond the federal requirement of 5% for subsidized developments.</p>			January			

TABLE 7-1: PROGRAM IMPLEMENTATION MATRIX

Goal/Policy/Program	Upon Adoption	2023	2024	2025	2026	Other
8-5: Rezone properties in Town to allow multi-family housing with a range of affordability levels and deed restrictions to ensure affordability over time. Affirmatively market the housing to households that are under-represented in Town including Black and Hispanic households.					June	
8-6: Through collaboration with local service providers, convene a discussion of populations that are experiencing comparatively high rates of cost burden to discuss solutions for relief. Consider a rental assistance program tailored to extremely high cost-burdened residents. This may be in coordination with ADU/JADU programs. Include Black, Indigenous and people of color in these conversations.			June (convene) December (consider program)			
8-7: Collaborate with other cities/towns and Project Sentinel, or another similar organization, to perform fair housing training for property owners, real estate agents, and tenants across the region. The training would include information on reasonable accommodation and source of income discrimination, as well as other fair housing information with emphasis on certain topics driven by housing complaint data and information from stakeholders. Participation in fair housing training will be required for approval of landlords' business licenses. Focus enforcement efforts on race-based discrimination and reasonable accommodations.		December (Establish list)				Two workshops by 2030
8-8: Create a webpage specific to fair housing including resources for residents who feel they have experienced discrimination, information about filing fair housing complaints with HCD or HUD, and information about protected classes under the Fair Housing Act.		December				

2023-2031 QUANTIFIED OBJECTIVES

Table 7-2 summarizes the quantified objectives for the 2023-2031 planning period.

TABLE 7-2: QUANTIFIED OBJECTIVES FOR PORTOLA VALLEY

	New Construction	Rehabilitation	Conservation
Extremely and Very Low-Income ^a	73	0	0
Low-Income	42	0	0
Moderate-Income	32	7	0
Above Moderate-Income	91	8 ^b	0
Total	238	15	0

^a Extremely low-income assumed to be 50% of very low-income allocation.

^b Assumes the rehabilitation of 15 ADUs through the proposed amnesty program.